# THE FINANCIAL POST

Largest Circulation of All Canadian Financial Papers

The Canadian Newspaper for Businessmen and Investors

Vol. XXXV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, MAY 17, 1941 | 10c a Copy: $5.00 a Year | No. 20

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**The Nation's Business**

## All Must Share the Bills We Pay for War

Workers in a Canadian plant the other day asked for an increase in wages. Their request was based upon several arguments. The chief arguments were:

1. The cost of living has advanced.
2. The employees have subscribed for war savings certificates and need higher wages to keep up their purchases.
3. The National Defense Tax has been increased.
4. The lowering of income tax exemptions has added a new burden.

These arguments are so typical as to be worthy of examination.

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The cost of living has advanced by 7% since the beginning of the war. But the cost of living at September 1939 was 17% below the 1929 level.

Workers are more dependent on their annual income than on their hourly wage. In many industries there has been a large increase in the total normal income of workers. This is particularly true of those whose turnover has increased because of the war.

Here are some typical figures from a large Canadian plant.

In 1939, 55% of the workers earned over $1,400. In 1940, 80% earned over $1,400.

The proportion of those earning over $1,800 almost doubled.

Average earnings in one department of that plant were $1,275 in 1938; $1,543 in 1939 and $2,205 in 1940.

In another department the figures were $1,205 in 1938; $1,487 in 1939 and $1,728 in 1940.

Throughout all other departments similar increases were shown.

The increase in these annual wages greatly outruns the increase in the cost of living.

Industrial firms selling to the Government have been asked by the Government not to increase prices. Where their costs have gone up, they are told that they can absorb most or all of the increase by their larger turnover.

In brief, industry is told to consider its annual income and not the profit (or wage) it makes on a single article. Application of the same principle to labor, suggests that the worker should think of his annual income and not so much of his hourly wage.

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The argument that the workers' contribution to the nation's war costs can or should be passed on is one that cuts across the whole anti-inflation war finance policy of this country.

It is implicit in the wartime labor policy of the Government that workers should absorb their new war taxes instead of asking wage increases to cover them. This applies not only to concealed taxes but to direct taxes on wages.

The Government's views are clearly on the record in many places.

For instance, the Minister of Finance has repeatedly urged that one of the purposes in his new war taxes is to restrict civilian consumption of goods in order to free factories for war. He put it this way on one of the occasions he spoke:

> "The task of finance is not only to provide the funds which are used to pay for war services but more fundamentally is, by taxing and borrowing, to restrict the civilian demand for economic resources in order that they will be available to the defense or supply departments when required."

Clearly if taxes paid by workers are to be added to their wages in the form of increases that purpose will be thwarted.

The cost-of-living bonus plan is chiefly the product of the study of W. A. Mackintosh, now special assistant to the Deputy Minister of Finance. He first outlined it at length at a conference at Queen's University in April, 1940. In his address Professor Mackintosh said the cost-of-living budget used "should exclude, as far as possible, increases in taxation intended to fall on the consumer."

In the first major arrangement, made under Dominion Government auspices, to provide cost-of-living bonuses in lieu of wage increases—that covering workers in the coal-mining industry of Alberta and British Columbia—increases in the cost of living due to increased taxation were specifically excluded from the items to be considered in fixing the amount of the bonus.

In the order-in-council of December 19 last, extending the Industrial Disputes Investigation Act to all war plants, it is set forth that workers are to be "called upon to share in such sacrifices as the war may make necessary for the whole nation."

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Canada's national income this year will be roughly $1,700 millions above the last pre-war year. But our whole bill, including aid to Britain will be $2,400 millions. The bill can be paid only by a lowering in the standard of living of the nation. Any person who gets a higher standard of living out of the war is getting it at the expense of someone else. If any person's standard of living is even maintained, it is at someone else's expense.

There is no escape from sacrifice for the country as a whole. Wartime tax and wage policies must be designed to distribute the sacrifice as equitably as possible. That cannot be done if the factory workers' new taxes and savings contributions are to be passed on to someone else—the farmer, the bookkeeper, the investor or to "posterity."

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### THESE PROFITS SHOULD BE TAXED

Last November the Saskatchewan Wheat Pool annual meeting passed a resolution offering every power at its command in support of the Dominion's war effort.

This resolution is in strange contrast to the protest that is being made by the Saskatchewan Pool against any war taxation of their income or resources.

The Saskatchewan Pool is now a huge elevator company operating a business in competition with other highly taxed elevator companies.

In Britain co-operative societies are taxed on their undistributed surplus. They pay National Defense Tax and the Excess Profits Tax. In addition any disbursements to the members are taxed as income in the hands of the members.

If the pool elevators conscientiously favor conscription of finance, industry and man power, as they profess, they should not object to paying a reasonable share of their surplus profits toward the cost of fighting the war.

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### WHY SHOULDN'T M. P.'S TRAVEL?

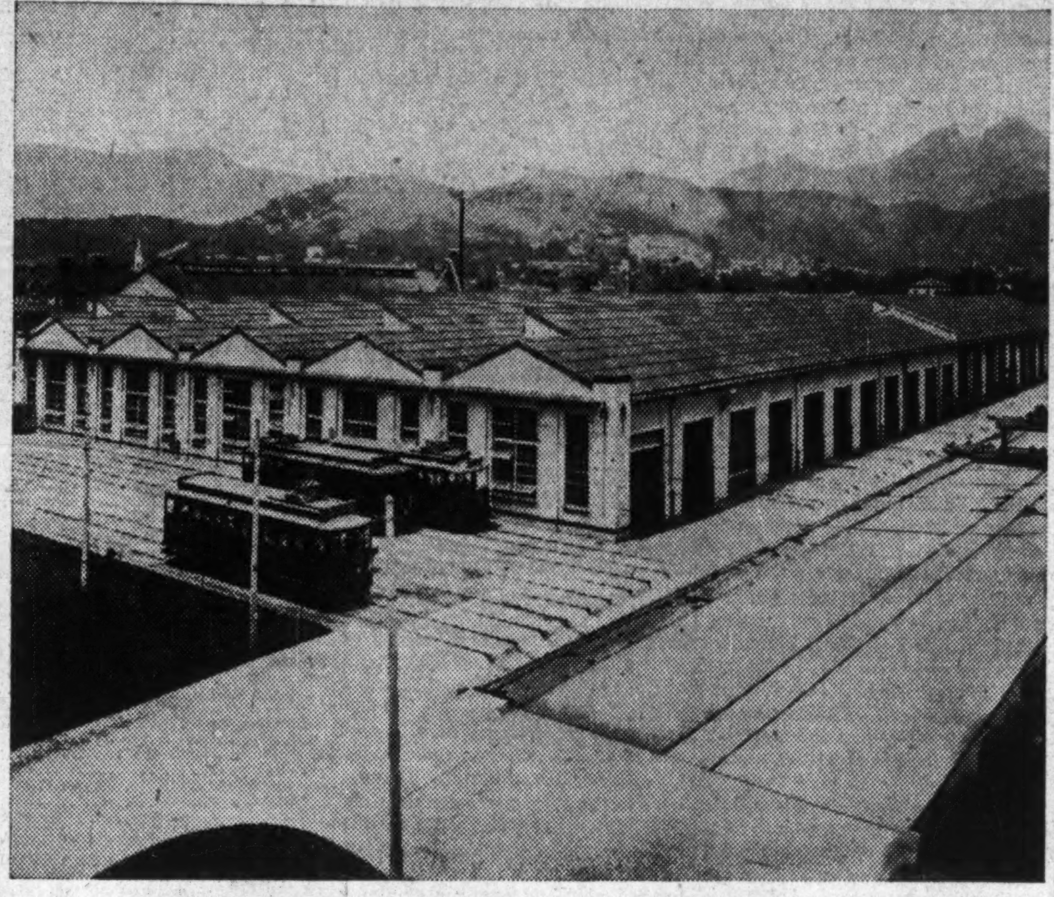
Apparently the rumor has gotten about that members of Parliament get preferred treatment in the matter of exchange permits to go to the States.

The Windsor Star replies. It says that you can number on your fingers the members who have gotten money to go to the States under the present regulations.

But should anyone take any satisfaction out of this situation? Should not as many members of Parliament as possible travel in United States, making addresses, talking to private groups, meeting friends and editors and informing the American people of the unity of purpose in this country with respect to the war?

By the ban on so-called "pleasure" travel, Canada is saving a substantial volume of American dollars. But it is losing something that is perhaps even more important, the opportunity of free intercourse with American citizens and the further opportunity that that provides of correcting misunderstanding and winning goodwill for Canada.

There ought to be two or three hundred thousand Canadians a year travelling across the line constituting a sixth column of goodwill.



Part of Brazilian Traction, Light & Power Co.'s $440-millions utility system in South America. Rumors in the Nazi "nerve war" coming from Lisbon state that Hitler's agents are buying control of Brazilian in the name of "Anton Bauer." Control of the utility rests with British and Canadian investors, is not for sale, particularly to enemy aliens. See article page 4.

This plant in Rio de Janeiro, recently visited by a representative of The Financial Post, is the finest thing of its kind in all South America and because of the wide variety of its activities has been termed unique in the world. Here Brazilian builds and repairs equipment for its tramways and buslines; constructs giant turbine equipment for its power generating stations; manufactures wire and cable for its transmission systems.

## *Further $50 Millions Expansion Is Mooted for Aluminum Co.*

**From Our Own Correspondent**

OTTAWA. — Aluminum Co. of Canada is understood to be working on an expansion plan involving capital outlay of $50 millions or more.

Measured by cubic feet the volume of aluminum now being produced in Canada is greater than the volume of any other metal produced in the country, except iron. It is enough to make more than 50,000 airplanes annually.

Demand has not only kept chasing production, but there is in prospect an even greater need than now.

In bringing smelting capacity up to its present stage the company has had to utilize every available kilowatt of electrical energy in the Saguenay region. Moreover it has been necessary to purchase some 200,000 h.p. of energy from the Shawinigan Water and Power Co.

**Must Await Power**

The first stage in the present expansion programme is to secure additional power. Existing power sources have been drawn upon to the limit. The company is now working on the long contemplated development of the Shipshaw River, which flows into the Saguenay River where Aluminum Power Co. operates the big Chute-a-Caron power plant. Fully utilized the Shipsaw will make available 1 million h.p.

The Shipshaw and Chute-a-Caron form an integral part of the over-all scheme of development. In fully developing the Shipshaw, Chute-a-Caron dam would be used as a diversion dam. By means of a channel along a neck of land on the easterly side of the valley, the usable flow of the river would be diverted to a power house near where the Shipshaw empties into the Saguenay. Below this power house about 1 million yards of earth and rock would have to be dredged to bring the tailwater elevation of the power house practically to tidewater elevation.

When this development is completed the Chute-a-Caron plant would be used as a standby plant and for the production of secondary power during periods of exeess flow in the river. At present Chute-a-Caron has installed capacity of close to 300,000 h.p.

Cost of developing the Shipshaw is estimated somewhere around $35 millions to $40 millions.

Co-incidental with development of Shipshaw power, the company would undertake expansion of productive facilities in the Saguenay region.

Capital necessary for this giant undertaking by Aluminum Co. of Canada will come from government sources. Already substantial advances have been made to the company to cover capital outlay in connection with developments at Kingston and other points.

### *Finance Minister Changes Tax Rate*

**From Our Own Correspondent**

OTTAWA.—The budget proposal to amend the Excess Profits Tax Act to increase the rate of tax from 12% to 22% to apply on profits of 1941 or any fiscal period ending in 1941, has been altered by Minister of Finance Ilsley.

Amendment now provides that where a company's fiscal year spreads over from 1940 into 1941, the new rate of 22% will apply only to income in 1941. The amount of profit subject to the higher tax is determined by the number of days in the fiscal year extending into 1941 in relation to the number of days in the overall fiscal period. In the original proposal the new rate of 22% would have applied to all earnings of a company whose fiscal year extended over in 1941, even though the extension amounted to one day.

## New Pay Demands of Labor Seek to Shift War Taxes

### *Wartime Housing Plan is Doubled*

Earlier plans for erection of 150 single family houses in Windsor by Wartime Housing Ltd., new Government company, have been stepped up to provide for 300 dwellings. Contracts were awarded this week for construction of 232 houses in Welland, by the Timms Construction Co., Welland; 100 houses and three staff houses at St. Catharines, Redfern Construction Co.; and 234 houses at Fort Erie, Russell Construction Co.

## Can. Cottons Sets Record

### Last Year's Output at All-time High — Propose Voluntary Redemption of Preferred

**From Our Own Correspondent**

MONTREAL.—Volume of production for Canadian Cottons, Ltd., in the year ended March 31 last set an all-time record, according to the directors' report to shareholders.

During the last seven months of the previous year, there was a marked increase in demand for its products. Some of this buying had been speculative in character, anticipating a scarcity of goods and advancing prices. The result was that early in the latest year a decline in new business booked was experienced and inventory of manufactured goods accumulated over a period of about seven months.

Since the beginning of 1941, the trade has been buying more freely, it is stated, stimulated in part by a rising raw material market.

As shown in the detailed review of financial statements to be found elsewhere in The Post, net profits last year were equivalent to $12.23 a share on the common compared with $13.48 a share in the preceding period.

During the past year, Hugh M. Watson retired as secretary of the company and K. L. Hamilton, formerly treasurer, was appointed secretary-treasurer.

**Give Redemption Privilege**

Directors are proposing a by-law to permit voluntary redemption of preferred shares. It has been decided a portion of the company's surplus funds should be used to purchase for cancellation preferred stock offered at a reasonable price or its redemption from preferred shareholders who may wish voluntarily to turn in their shares for redemption. The by-law submitted does not alter rights of any shareholder and permits only voluntary retirement of preferred stock. It was decided that the maximum price to be paid for such preferred shares bought or redeemed be $120.

### Pressure for Higher Wage Levels Would Leave Employer to Shoulder Workers' War Sacrifices, And Defeat War Finance Aims

The varied facets of the wartime labor problem have now surged up as a major issue for Canadian industry.

Highlights of the situation are:

1. Threat of the upswing in wages to fly out of control, bringing on an inflationary spiral, spiking the aims of war finance policies, and jeopardizing the stability of industry both now and after the war.

2. Increasing demand of labor for higher pay to absorb war taxes and savings as well as added living costs. In effect this thrusts the workers' share of war sacrifices on the employer and ultimately on the national community as a whole.

3. Need for closer collaboration between industry, labor and government to grapple with these problems, and to avoid disruption of the war supply effort by union organizing drives and strike outbreaks.

4. While the impact of the wages-taxes problem varies with various industries and groups of workers, by and large a small part of increased labor earnings is being taken by higher taxes.

Industry itself is grappling directly with problems at stake but, broadly, the situation will be resolved also by the conduct of labor, and still more perhaps by the policy of government.

How have the main aspects of the problem crystallized for industry, and how do employers feel they should be dealt with?

In the foreground of the picture at the moment, as the most spectacular phase of labor disquiet, is of course the threatened spate of strikes and other union activity.

Under the stress of the need for labor and for all out production, and the encouragements from Ottawa to organized labor, some labor groups have launched a strenuous drive to swell union strength and force union recognition on employers.

**Wages Big Problem**

But union agitation is only part of the basic problem which extends through industry to touch nearly all employers. Fundamentally this problem is one of wages, and of how far workers income should be raised in line with increased wartime activity, the higher cost of living and other war conditions. Also a factor are anti-inflationary efforts of the Government. With both wage rates and average workers' earnings already increased in many industries to record levels, employers are still confronted with pressure for still further increases.

Reasons advanced are a desire to share in wartime prosperity, fear of slim pay or unemployment in a post-war depression, a "me, too" anxiety to match increased pay in other firms and industries, and demands for higher pay to meet offers from competing industries that "steal" workers.

But the greatest single source of the pay increase problem, and the one that is currently giving employers most concern, is the effort to offset increased wartime demands on the worker's personal budget. And the most significant and difficult feature of this is the widely prevalent attitude that such extra margins of pay should cover not only the advance in the cost of living, but also the amounts paid out in national defense and income taxes or even for war savings certificates.

But to keep on edging up wages to absorb rising tax levies and other war contributions, beyond allowance

(Continued on page 4, col. 3)

## Both Guns AND Butter Still U. S. War Policy

**By STAFF WRITER**

WASHINGTON.—The more realistic and better informed observers of the war, from the vantage point of Washington, talk in terms of three big "if's":

IF Britain can hold control of the Mediterranean;

IF Britain can defend her island citadel;

IF the United States can speed up production of war materials fast enough.

As to the first "if," views are divided. Churchill's assurance of last week that the British would not lose the Mediterranean was encouraging, but it is recognized that Britain is up against a desperately difficult proposition. When Britain went to the aid of Greece, she made a political decision that she was morally bound to make, but her generals knew from the start that the military result was bound to be failure. The loss of men and equipment did not help Wavell in the Near East.

As to the second "if," the Washington view is that the successful defense of the British Isles is dependent upon a favorable outcome of the third "if."

**Must Deliver**

Britain, it is held here among the best informed groups, can undertake a successful battle for the defense of the North Atlantic and of the British Isles only if the United States speeds up its production of 'planes, tanks, ships and other munitions of war far beyond the present pace and delivers the goods.

Failing such an overnight transformation of the American productive machine into an all-out war arsenal, Britain could not, according to these groups, hold the front line of democracy, even with the full assistance of the British Dominions.

All depends, then, upon the vigor and efficiency of the American attack upon the problem of full-scale war production.

Until a few days ago there was considerable doubt as to whether or not the United States could and would produce enough material on time.

An exceedingly able topflight [illegible]

(Continued on page 2, col. 3)

## Some Building Trades Refuse All-out Effort

Despite the need for sacrificial effort by every class of Canadians, full co-operation of labor to meet urgent war demands has been denied by some organized labor groups. Certain sections of labor have either flatly refused or been slow and reluctant to yield peacetime privileges.

Rivalling the dislocation caused by the rising frequency of strikes and unionization drives is the refusal of some unions to suspend, or modify to any extent, rigid restrictions on working time and demands for heavy overtime rates.

Especially adamant in such a stand have been certain of the building trades unions, bricklayers, carpenters, plasterers and lathers.

The result in many cases has been to slow completion and add substantially to the cost of war plants and military structures needed with the utmost possible speed, a fact lending much color to the charge that this war's profiteers are to be found in the ranks of labor.

Delays caused by the five day week and double pay for overtime union rules have cropped up chiefly in the larger centres of Ontario, particularly in the Toronto area. In Montreal and other parts of Quebec the general basis of the work week is 44 hours for all trades, with time and a half pay for overtime on Saturday afternoons. The 40 hour week is the regular working basis for the principal trades in Vancouver and Victoria, but there have been no reports of any difficulty in adjusting this to the rather limited volume of war construction in those districts.

**Short Work Week**

In Ontario the 40-hour week is decreed by union rules, by agreements with contractors groups or by provincial industrial codes for one or more trades in such centres as Toronto, Hamilton, Windsor and Kingston. Elsewhere the basic work week at regular pay rates is 44 hours, with perhaps no restriction in some of the smaller centres.

In some cases unions have agreed to forego the 40-hour limit, double pay for overtime or both when asked to speed war building.

But there have been instances, especially around Toronto, where some unions have insisted on double time for any Saturday work or refused to work Saturday at all, even for extra pay.

**Some Unions Hold Out**

In the Toronto zone of the building trades unions, which extends 10 miles outside the city, the electricians and plumbers unions have agreed for the duration of the war to suspend the 40-hour week on emergency jobs of war construction, and

(Continued on page 2, col. 3)

## The War And Business . . *A Weekly Round-up*

### *Production Unlimited*

No man knows how much actual physical work he can turn out until he is pressed and apparently the same goes for countries, too. Before the war certain theoretical limits of production were set up for Canada. They were theoretical because these limits had never even been approached. Already they have been exceeded and still more expansion is conceded quite possible.

Last winter Ottawa authorities believed that full war production would be reached by midsummer. Now further increases from that period are expected. Staggered hours for labor and electric power, more diversion from peacetime products to war, greater skill in manufacture and assembly, better absorption of surplus labor; use of women; these are all potential factors. As William Knudsen, head of American war production pointed out this week, until every factory and every machine is running 24 hours a day, maximum production will not have been reached.

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### *Ease Tax Burden*

Financial authorities at Ottawa are believed to be the first to recognize this almost continuous expansion. The recent budget, it is understood, is based on a further 10-20% gain in industrial growth this year. Such an increase should help ease the burden of the new taxation, as it broadens the supporting base of wage earners. Anxious that no new luxury spending power be developed to compete with war production, taxes were made especially heavy to cope with expected wider earnings. And one thing said to be certain in this war, is that these taxes will continue to grow just as fast or perhaps a little faster than national income.

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### *Financial Nervousness*

There is a good deal of nervousness in the country, among people of modest means even more than among wealthy men, on three points:

1. Possibility of a "capital levy" or forced loan, particularly aimed at bank deposits;
2. Possibility of commandeering of American investments held by Canadians;
3. Possibility of a compulsory savings scheme.

Those who have discussed these matters with the financial advisers of the Government report:

**Capital levy** — Government is more concerned with taxing incomes than with killing the goose that lays the golden eggs. Bachelor with a half million income now pays 96% of top layer to Ottawa, not counting provincial taxes. That is already virtual confiscation. Capital levy most improbable.

**U. S. holdings** — No change in government's desire to leave these untouched, if at all possible, since they are vital liquid reserve of nation's capital. Hyde Park agreement has lessened likelihood of taking them over.

**Compulsory savings**—Thoroughly studied by authorities, which regard the plan as last resort. Will not be invoked so long as voluntary response to war loan campaigns is adequate and civilian purchases do not interfere with war production. If war crisis deepens might come in 1942, not before.

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### *Top Incomes*

The item next above refers to a top layer income of 96%. This is how it is made up:

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|---|---|
| Normal income tax.... | 85% |
| "Unearned income" tax | 4% |
| National defense tax... | 7% |

That would not represent all the taxation paid on those earnings. To the extent that the income was derived from dividends it would already have borne minimum corporation tax of 40%, plus possible excess profits tax, plus possible provincial tax up to 5%. In addition the taxpayer himself, as an individual, may continue to pay provincial income tax, dependent on the action his province takes following the last Ilsley war budget.

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### *Labor Showdown Coming?*

Word from Ottawa would indicate that a showdown with labor cannot be long delayed. So far the authorities seem to have assumed that many war workers were for the first time able to provide themselves with something more than bare necessities. After years on part time or relief they were entitled to a break. But the authorities cannot allow these or any other people to break out in a spending rash on luxuries. Such would seriously hobble the war effort. It would result in either or both of the following trends:

1—Switch factory production from war output to non-essentials.

2—Start prices soaring on the dwindling supply of non-essentials in stock which might be transmitted through the whole range of ordinary consumer buying.

Indeed it is reported that the Wartime Prices Board has already served notice that it will be unable to prevent sharp price rises unless this fast developing luxury buying is nipped in the bud. Even in the first Great Gar, it will be remembered, the real buying spurt did not develop until 1917 or the third year of the war.

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### *Some Surplus Labor*

Another official labor worry is a growing shortage of workers in the right places. Aside from skilled men there is as yet no national shortage. Hundreds of thousands of women could still be employed and throughout certain sections of the country, western Canada for instance, there is some surplus male labor.

The catch in this democratic country is to bring surplus and war factories together. Even in certain skilled lines there is difficulty. In certain war lines, mechanized transport, for instance, production might conceivably overtake war demand both of Canada and the Empire. Yet in others, tanks or planes, for example, there might be woeful shortage. How to transfer labor from one industry to the other is a problem Ottawa must face soon.

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### *Germany Building War Plants*

An informed report to The Financial Post shows that Germany is rapidly decentralizing her war plants, erecting many new structures within occupied territory. Dual object is to make use of labor in the countries she has brought under her iron heel (labor she can pay in paper money of ultimate worthlessness) and to make obliteration of war industries more difficult for the R.A.F.

The report indicates construction of a large explosives plant within 30 miles of Paris, virtually in the suburbs. The R.A.F. cannot bomb this plant without bombing the environs of Paris itself. This suggests a third reason for the decentralization; to take advantage of whatever protection may be afforded by British desire to restrain its bombing activities in the countries of its former allies.

The only fly in the ointment so far as Germany is concerned is that such plants in conquered territory should be more susceptible to successful sabotage, if and when friendly fifth columnists are organized by Britain and her allies.

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### *German Worries*

With the whole back door wide open in this war, Britain's naval blockade of Germany cannot work as effectively as in 1914-18. But some indication of positive results are already reported.

Chief scarcities in Germany today are in rubber, nickel, and other hardening metals, textiles and fats.

In none of these has a crisis been reached but all are drastically rationed and apparently there have been heavy inroads into pre-war emergency stocks and also into commandeered supplies in France and other occupied countries.

In labor, too, a shortage is reported, notwithstanding the fact that in addition to war prisoners, some 1.5 million of foreign workers have been imported into the Reich.

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### *Food for Britain*

New war demand is continuing to make a fair sized hole in Canada's abnormal wheat holdings. Each week since the beginning of March there has been a steady reduction in Canada's visible wheat, that is the amount of this grain in commercial storage.

It is understood that in recent weeks more than current requirements of food, and especially Canadian wheat and bacon, have been getting across to Britain. This is a good thing for the harassed people of the United Kingdom as well as for the Canadian farmer.

Men About Town

APPRECIATE THE EXTRA
ADVANTAGES OF EATON'S

HAND-FINISHED
SUIT

If you're one of those men who insist on keeping perfectly groomed despite the incessant rush of wartime business, you're bound to be more than pleased with a suit like this! That's because they combine the distinctive style of the hand-finishing with the time-saving convenience of ready made clothes! We think you'll like the materials, too (all imported wool with cotton stripe worsteds) . . the tasteful patterns . . . and the moderate price.

EATON'S HAND-FINISHED SUIT
with 2 Pairs of Trousers

$45.00

You may purchase these Suits on EATON'S Budget Plan Terms, if you wish.

Main Store Second Floor

THE T. EATON Co LIMITED
TORONTO CANADA

## Mailman Heads Lindsay Board

MONTREAL. — A. L. Mailman, Montreal, has been elected chairman of the board of directors of C. W. Lindsay & Co. Chairmanship has been vacant since the death of Sir Charles Lindsay in 1939.

J. A. Hebert was re-elected president and general manager, and B. A. Edward and W. A. H. Robinson were re-elected secretary and treasurer, respectively.

Two new directors, L. P. Gelinas and Laz. Phillips, K.C., were elected to the board of directors to fill the vacancies created by resignation of F. G. Donaldson and Stanley Johnston.

Mr. Hebert stated at the shareholders meeting that if business holds at last year's levels there is reason to hope that dividends will be resumed on the preferred shares.

The company's entry into the furniture business had had favorable results on earnings, Mr. Hebert stated.

Invite Your Friends

● Now is the time to write your friends in the United States reminding them that Canada welcomes guests as usual this summer, and offers a wealth of summer attractions.

Last summer false rumours that wartime conditions in Canada were unfavourable to travelers; got into circulation. This summer let the facts be known. Spread the truth among your own friends and help Canada's tourist revenue, and Canada's power to buy American war supplies.

IMPERIAL BANK
OF CANADA

Head Office Toronto:
BRANCHES THROUGHOUT CANADA

# What Hyde Park Means to Us

## Plans For Broad Co-ordinated Programme Advance

From Our Own Correspondent

OTTAWA.—Significance of the Hyde Park agreement under which Canada will supply the United States with $200 millions to $300 millions of goods, is beginning to come into focus.

First reaction to the agreement was that it was a move to ease Canada's U. S. exchange problem. Admittedly the arrangement helps in that respect, but there are other important features which will become more manifest as time goes on.

The Hyde Park agreement does four things.

It provides for closer co-ordination of resources and industrial capacity between the two countries, especially in the war industries.

It assures continuity of operations and production of war materials and supplies in Canadian industry.

It makes for closer and more effective aid to Britain by the United States and Canada.

Lastly it helps to ease the burden of Canada's U. S. exchange problem.

These items are not set down in their order of relative importance. They are listed as indicating the major principles involved in the understanding reached between President Roosevelt and Prime Minister Mackenzie King.

**Broad Effects Sure**

The agreement is far more significant than appears on the surface. Canada's undertaking to provide the States with $200 millions to $300 millions is merely one way of appraising the value of the arrangement which will have a much greater effect on the Canadian economy and the Dominion's war effort than is generally appreciated at this stage.

During the past week Hon. C. D. Howe, Minister of Munitions and Supply; his deputy, G. K. Sheils and Dr. W. C. Clark, Deputy Minister of Finance, were in Washington conferring with American officials. E. P. Taylor, executive assistant to Mr. Howe, has been in Washington for some time establishing the machinery to handle the new agreement.

Mr. Howe is expected to make a statement shortly on the working of the agreement and to give in some detail particulars of the goods which Canada will supply to the States.

Already it has been mentioned that Canada expects to supply the United States with certain kinds of munitions, strategic materials, aluminum and ships.

Definite arrangements have already been entered into along these lines. They have been made, having in mind that in the production of certain types of war supplies, Canadian facilities are more advanced than those in the United States.

**Co-ordination Main Item**

There is no question of Canada's ability to supply goods to the value set out in the original announcement. Of greater importance are the steps being taken to co-ordinate production in the two countries.

This can be interpreted along two lines:

(1) Further expansion of Canadian productive facilities especially for those war supplies and materials where Canada has a definite advantage; and

(2) No let down in the all-out rate of production where any doubt as to ability to finance output presaged a possible letting down in scale of operations.

The United States is in "urgent need" of a number of defense articles which this country can supply. The immediate and prospective scale of demand leads to the assumption that a number of Canadian wartime industries will shortly undergo further expansion.

This calls for a close degree of cooperation between the two countries in the matter of machine tools, capital, etc.

In certain fields of the Canadian industrial war effort, productive facilities are ahead or are rapidly approaching the point where their rate of output is ahead of needs.

**No Plant Slowdown**

The Hyde Park agreement provides for no let-down in the operations of these plants in that the financial means of providing a continuous stream of production will be available.

All of the arrangements being entered into are pointed in the one direction — co-ordination of efforts to aid Britain.

To an increasing extent the industrial and material resources of Canada and the United States will be pooled so as to secure maximum returns.

Britain's needs will be looked after under the Lease-Lend plan. In effect aid to Britain will not be allowed to slow down through any scarcity of United Kingdom credits in the States or Canada or Canada's credits in the States.

All this is of tremendous import and of vital bearing on the Dominion's war policy, especially as it relates to the supply of war materials.

As details are worked out, the whole tempo of Canada's war effort will be speeded up to a degree far beyond what had been contemplated as possible before the signing of the Hyde Park agreement.

## Some Building Trades Refuse All-out Effort

(Continued from page 1)

to work all Saturday at regular rates. The sheet metal workers are similarly prepared to work Saturday mornings at straight rates, with time and a half for Saturday afternoons. There is no reported difficulty in getting painters to work a six-day week at regular pay.

But bricklayers, carpenters, plasterers and lathers unions have declined to fall in line. Carpenters will work Saturdays where required, but demand double pay which in their case amounts to $16 a day, their rate having been recently raised to $1 an hour. Bricklayers, plasterers and lathers have refused to work beyond 40 hours unless satisfied there is an extreme urgency, and in these special cases ask double pay, $18 a day.

Refusing to shelve or abate the 40-hour rule on the claim that there is still unemployment in the building trades, the "hold-out" unions have agreed to permit double shifts each day within the five-day limit. This, of course, nets far more working time per week than if the single shift were used on Saturday, and most contractors seem satisfied with this arrangement.

But some contractors object that often the second shift is less efficient than the main shift, and that in some cases the need for speed is such that they would like to use both shifts on Saturday, or at least without having to pay double rates which, of course, are borne in most cases by the hard-pressed taxpayers.

**Problem of Cost**

In a few cases where unions allow Saturday work at double rates it may be impossible for the contractor to meet the extra cost under a fixed price contract or to get sanction for the added outlay for labor under a cost plus contract. And Government authorities have proved reluctant to force the unions' hand by officially declaring a project a hurry-up emergency job, requiring a full working week at regular pay rates.

In a war plant in the Toronto area, a contractor was recently able to induce the unions to allow both Saturday and Sunday work at double rates for both days. In another case, one union refused to work Saturdays at all, another demanded double time.

The contractor is using double shifts, but estimates that on a five day week basis he is losing 25% of potential working time each week. He loses Saturday plus the time required each Friday to protect construction work against deterioration or damage over the long week-end.

The attitude of some unions is widely interpreted as refusal to share the sacrifices required of all. It is also pointed out that the union rules now so tenaciously clung to were originally enacted and conceded in the midst of the depression as a means to spread what work was available among more men.

While some unions claim 20 to 25% of members in Ontario as a whole are still jobless, the ratio is far less in the main centres.

**Contrast With Army**

Comparison is also being drawn between the building worker with his high pay, five-day week, and double pay for overtime, and the soldier in the ranks drawing $1.30 a day.

Skilled construction tradesmen attached to the Army engineer corps are provided with food, shelter, clothing, and other requirements that the civilian worker must meet himself. But the union man gets from $8 to $9 a day, with double pay for overtime, compared with from $1.50 to $2 a day (including extra tradesmen's pay) for the engineer corps man.

Because of their limited numbers, skilled construction tradesmen in the corps are usually employed as key men to supervise work of union men under contracts let to private firms or individuals. In these cases the contrast is still sharper, as the engineer corps tradesman at say, $1.55 a day, may be supervising a gang foreman getting even more than a union worker.

Engineer corps squads often have erected complete structures themselves, in some cases, at camps where other buildings were being put up by union men getting double pay which ran weekly earnings up to between $70 and $80 a week.

## Launch Quebec Power Plans

From Our Own Correspondent

MONTREAL. — Quebec Legislative Assembly moved toward acquisition of Beauharnois Light, Heat & Power Co. with first reading of the Beauharnois bill.

This step is provided in the agreement between Canada and the United States for development of the St. Lawrence-Great Lakes Waterway System.

By the bill the Lieutenant-Governor-in-Council may authorize the Minister of Lands and Forests to acquire, by agreement or expropriation, the properties or capital of the company.

The property would be placed under the Quebec Running Streams Commission. Name of the new corporation would be the Quebec Hydro-Electric.

Funds would be placed at the disposal of the new organization for development, or operation of the undertaking, provided from the consolidated fund of the province.

**Call Shareholders' Meeting**

Directors of Beauharnois must call a meeting of shareholders to decide upon acceptance or refusal of the indemnity offered, or establish claim for expropriation in the event of refusal.

Shareholders must act as a body and only one claim can be filed on behalf of all shareholders.

The Minister of Lands and Forests would also be authorized to purchase by mutual agreement or otherwise all the first mortgage bonds of Beauharnois outstanding, in addition to two 5% note issues totalling $18 millions, held by Montreal Power.

The board of directors of the corporation would be reduced to three; to be appointed by the Lieutenant-Governor, and they need not be shareholders of the corporation.

Two other bills were introduced at the same time. The St. Lawrence Water Bill authorizes the Minister of Lands and Forests to make an agreement with the Dominion Government covering building of canals on the St. Lawrence and development of its water power.

The third measure amends the water course Act.

## Head Montreal Stock Exchange

Raymond Allan, partner in Greenshields & Co., has been re-elected chairman of the Montreal Stock Exchange. H. MacD. Paterson, of Alex Paterson & Co., succeeds Capt. H. C. MacDougall as vice-chairman. R. B. Ashby, of Hugh Mackay & Co., becomes secretary-treasurer. Governors of the Exchange for the coming year include:

A. S. BEAUBIEN, L. G. Beaubien & Co.
PAUL BRAULT, Brault & Chaput.
D. E. CRUTCHLOW, Crutchlow, Dean & Co.
GRANT JOHNSTON, Grant Johnston & Co.
HERBERT D. KINGSTONE, Kingstone & Mackenzie.
F. G. McARTHUR, A. E. Ames & Co.
D. S. McMASTER.
LOUIS ROBERT, Geoffrion & Robert.

Newcomers on the committee are Mr. McMaster, a former governor of the Exchange; Mr. Crutchlow and Mr. Kingstone. The last two, along with Paul Brault, have been elected advisory members. Leopold M. Fortier, of Fortier & Co., has been elected trustee of the gratuity fund for a three-year period.

## Both Guns AND Butter Still U. S. War Policy

(Continued from page 1)

thority put it to The Financial Post this way:

"In this country we are trying to enjoy two prosperities at the same time. We are trying to preserve a boom in civilian consumption (witness increases of up to 30% and even more in retail sales) and at the same time produce armaments at an unprecedented pace. We cannot do both; not if we are going to do the second job well.

"The idea of the New Deal economic group in Washington that we can have both guns and butter and more of both than ever before, is nonsense. So long as we persist in that idea we shall do less in respect to the production of arms than we must do if Hitler is to be prevented from winning the war this year."

**Long Versus Short Term**

He added: "We are building scores of new plants to make arms. But the actual building of the plants uses labor and steel that should be used to make munitions for use this year. What we must do, and do at once, is to utilize existing industrial capacity for the production of war materials even if it means drastic curtailment in the standards of living of the people."

This particular authority was very gloomy about the prospects of awakening public opinion to the severity of the present crisis; and of getting immediate action to divert labor and resources to spot war production.

But from other sources, clear indications are available that within very recent days rapid progress has been made in getting American industry on a war economy. William S. Knudsen is known to understand the vital significance of the time factor.

It was this urging that the automobile industry was asked to curtail production of passenger cars by 20% and is now being asked to cut off another 20% in order that plants may be turned over to war purposes and steel be released for munitions and ships. In other fields priorities and taxes are going to be swung into action without delay to curtail production of durable goods for civilian consumption.

If the steam continues to rise in the war production boiler as rapidly as it has been rising this past week the production of war supplies for Britain may soon begin to reach the proportions needed to hold Hitler and deny him the victory he seeks this year.

**Short-circuit Congress**

On the political front too, action is the watchword. The President has apparently decided to short-circuit Congress in respect to many controversial issues, such as ensuring the delivery of American war supplies to Britain. The successive speeches of Knox, Hull, Willkie, Stimson and other men who have the confidence of the president were obviously designed to prepare public opinion; in fact to enrage public opinion in respect to the inadequacy of the present United States contribution to the war and to force the country as a whole to demand more from the Administration. In brief, instead of asking Congress for authority to speed up practical assistance to the democracies, the President's strategy has been to lay the facts before the public and then let public opinion create the explosive atmosphere in which he himself can get results.

**Must Have Speed-up**

No one who understands the gravity of the present situation doubts the necessity for an immediate speed up of both production and deliveries of American war materials. [illegible] authoritative commentator put it to The Post:

"It is about time we stopped kidding ourselves that time is on our side. At the present rate of war production in the British Empire and the United States, time is on the side of Hitler. He is extending his relative strength every day. He is building new factories in all the occupied countries and is putting the people of those countries to work turning out munitions of war to use against us. There are only a handful of people who realize that the war can be lost this fall if we do not speed up our rate of production of planes and ships and other war materials far beyond present totals.

"Time is on our side only if we use it more furiously and effectively than democratic nations have even before used it."

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# Company Reports

## Canadian Cottons

Annual report of Canadian Cottons Ltd. for the year ended March 31, 1941, shows net profit equivalent to $12.23 a share on the common stock, after providing for preferred dividends. This compares with $13.48 a share on the common in the previous year. Dividends totalling $6 a share were again paid.

It is stated that the amount set aside for Dominion and provincial taxes allows for the "provisions of the Excess Profits Tax Act, allowing reserves against future depreciation in inventory values." Amount of this reserve is not given.

**Income and Surplus Account**
Years Ended March 31

| | 1941 | 1940 |
|---|---|---|
| | $ | $ |
| Net oper. profit* | 486,339 | 526,204 |
| Add: Invest. income | 115,472 | 109,628 |
| Less: Pension fund | 50,000 | 50,000 |
| Net profit | 551,811 | 585,832 |
| Less: Pref. dividends | 219,690 | 219,690 |
| Common divid. | 162,930 | 162,930 |
| Surplus for year | 169,191 | 203,212 |
| Add: Previous surplus | 1,901,597 | 1,698,385 |
| Earned surplus fwd. | 2,070,788 | 1,901,597 |
| *After providing: | | |
| Depreciation | 579,288 | 800,000 |
| Executive salaries | 52,560 | 53,018 |
| Directors' fees | 7,775 | 7,800 |
| Taxes, incl. adjust. | 1,226,703 | 268,652 |
| Legal fees | 2,791 | 4,411 |
| Earned per share: | | |
| Preferred | 15.07 | 16.00 |
| Paid | 6.00 | 6.00 |
| Common | 12.23 | 13.48 |
| Paid | 4.00+2.00 | 4.00+2.00 |
| Shares outstanding: | | |
| Preferred, $100 par | 36,615 | 36,615 |
| Common, $100 par | 27,155 | 27,155 |

**Working Capital**

| | | |
|---|---|---|
| | $ | $ |
| Current assets | 8,774,033 | 8,725,728 |
| Current liabilities | 1,908,744 | 2,241,045 |
| Working capital | 6,865,289 | 6,484,683 |

## Associated Telephone

Associated Telephone & Telegraph Co. reports income of $1,056,787 in 1940, compared with $1,136,517 in the previous year.

Net profit, after all deductions and taxes, amounted to $82,018, against $213,690 in 1939.

F. S. Spring, president, states that adverse factors in 1940 reduced income on the company's investments.

Manufacturing subsidiaries of Associated Telephone increased gross profits in 1940, but the increase was offset to a large extent by tax increases and necessity of setting of reserves and write-downs in foreign investments.

The company is indirectly interested in manufacturing concerns in Italy and Belgium. While no income was derived from this source, no damage was caused the plants, it is reported.

No dividends have been paid on the 7% first preferred stock since May 15, 1940, and, in view of unsettled conditions, it is uncertain when further dividends will be declared, Mr. Spring states.

**Income and Surplus Account**
Years ended Dec. 31

| | 1940 | 1939 |
|---|---|---|
| | $ | $ |
| Dividends | 788,592 | 827,506 |
| Interest | 193,441 | 237,914 |
| Other income | 68,754 | 71,097 |
| | 1,056,787 | 1,136,517 |
| Less: Exps. & taxes | 159,551 | 176,827 |
| Net earnings | 897,236 | 959,690 |
| Less: Deb. int. | 649,007 | 656,365 |
| General int. | 942 | 12 |
| Debt. disct. & exp. | 63,887 | 64,623 |
| Contingency res. | 100,000 | ...... |
| Employees' benefit | 1,383 | 25,000 |
| Net profit | 82,018 | 213,690 |
| Less Dividends: | | |
| 7% 1st preferred | 18,462 | 64,616 |
| $6 preferred | 22,653 | 79,286 |
| Surplus for year | 40,903 | 69,788 |
| Add: Prev. surplus | 707,706 | 621,210 |
| Bond disct. red. | 33,403 | 16,708 |
| Surplus forward | 782,012 | 707,706 |

**Working Capital**

| | | |
|---|---|---|
| | $ | $ |
| Current assets | 711,240 | 1,301,046 |
| Current liabilities | 128,736 | 134,506 |
| Working capital | 582,504 | 1,166,540 |

## Obituaries

**N. B. Douglas**, manager Northwestern Mutual Fire Insurance Co. for Quebec Province, aged 47, at Montreal.

* * *

**Walter T. Walker**, manager savings department, Trusts and Guarantee Co., aged 46, at Toronto.

* * *

**George Brigden**, president Brigden's Ltd., Toronto, aged 71, at Toronto.

* * *

**Harris McFadyen**, founder of the McFadyen Seed Co., Winnipeg, aged 67, at Winnipeg.

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# William Randolph Hearst Gives Canada Boost

*One of the most enthusiastic boosts for Canada's tourist attractions to come from U. S. sources in recent years, recently appeared in the powerful chain of Hearst newspapers as a front page editorial signed by William Randolph Hearst. In unrestrained and glowing terms, Mr. Hearst urged Americans to go see for themselves the wonders of Canadian scenery which he lavishly described.*

Not only in Mexico to the south of us, but in Canada to the north of us, are wonderful opportunities to spend delightfully the summer vacation days that will soon be here.

From the west coast of the United States it is easy and highly agreeable to reach Vancouver by sea or by train or by highway—and be welcomed to British Columbia.

On the east coast it is a simple matter, and a physically and spiritually profitable one, to visit the charming and historically interesting old city of Quebec, perched on the cliffs above the St. Lawrence River.

Then to sail up the St. Lawrence to Montreal—diverging, if you please, to Ottawa.

Then to weave in and out on the bosom of the great river among the beauties of the Thousand Islands until you reach the Great Lakes—a wonder of the world.

Then on through Lakes Erie and Ontario and through Huron and Superior to Port Arthur.

There the great West begins.

There is no water trip like this anywhere on the face of God's green earth.

But you can make a similar trip along the shores of river and lakes by motor, comfortably and delightfully, if you prefer.

From Port Arthur onward the train or the highway carries you through the provinces of Manitoba and Saskatchewan to Alberta and British Columbia, the Summer vacation ground of the world.

Folks, it is as if after God had made all the rest of the world for men to work in, He had made the west coast of America for them to play in.

It is as if He had said:

"I will assemble here for man's enjoyment all the attractions of all other lands."

It is as if He had decreed:

"Here let there be tall mountains wrapped in eternal snows, and warm snug valleys cosied in between.

"Here let there be long sinuous lakes wreathed in evergreens.

"Here let there be mighty rivers flowing through fertile and peaceful plains.

"Here let there be wonders, too, like high glaciers on steep mountain sides that cascade over tremendous precipices into snowy vales beneath, and let there be great limpid pools that reflect the white mountains and the green forests and multiply their glories.

"And here let there be fish and game and waterways and highways to reach them."

Friends, your columnist speaks the truth, but cannot find words to tell all the truth.

Go and see for yourselves.

Become acquainted with your neighbors in Canada and enjoy their friendship and the delights of their beautiful land.

W. R. HEARST.

## Imperial Group Pays Same Rates

No change in the semi-annual dividends of the companies in the Imperial Oil group is shown in the recent declarations. Imperial Oil Ltd. will pay 25 cents per share for the first half of 1941, on June 2, to shareholders of record May 15, same rate as paid last Dec. 2. The payment on bearer share warrants will be on coupon No. 55.

International Petroleum Co. will pay 50 cents per share on June 2, to shareholders of record May 20, Bearer share warrants will pay on coupon No. 55. Previous payment on Dec. 2, 1940, was also for 50 cents.

Andian National Corp. has declared a dividend of $1 plus an extra of 50 cents on June 2 to holders of record May 20. The same payment was made in June and December of last year. The dividend will be payable to holders of bearer shares on coupon No. 25.

Payments by Imperial Oil and International Petroleum will be in Canadian funds, that of Andian National in U. S. funds.

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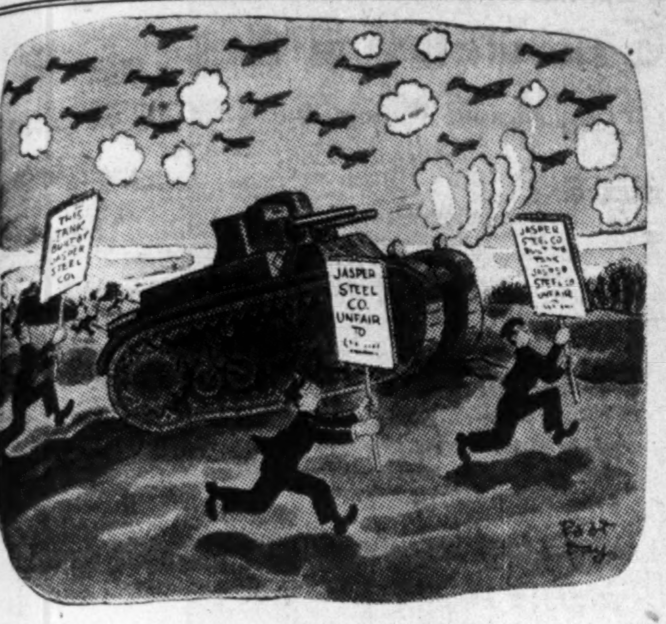
THIS TANK BUILT BY JASPER STEEL CO.
JASPER STEEL CO. UNFAIR TO
JASPER STEEL CO BUILT THIS TANK JASPER STEEL CO UNFAIR

How a cartoonist in the magazine The New Yorker sees the war industry strike epidemic.

# London Calling

### By Atticus

## Lyttelton No Pet of the Cartoonists — No Shining Dome of Virtue — But Very Popular With the Prime Minister

LONDON.—Captain Oliver Lyttelton, the President of the Board of Trade, moves into the orbit of our lens this week. It has fallen to his lot to contract non-essential industries and so release labor and plant for the gluttonous war machine. No more intricate or distasteful task can be imagined for a Minister. Yet the President is going about it with a thoroughness that leaves no doubt about his intentions.

Oliver Lyttelton will never be a pet of the cartoonists. He has no shining dome of virtue like Viscount Simon, no cherubic aggressiveness like Mr. Churchill, no waving locks like Mr. Lloyd George. To those of us who do portraits in words he offers a similar difficulty. He seems to be what he isn't, which still leaves us baffled. He is a businessman, but looks like a country squire who might love books. His voice is agreeable, although like many educated Englishmen, he is inclined to pronounce "adifficultsituation" as one word. There is nothing to suggest that he speaks German fluently, but he does indeed. And in his tall, studious frame one can easily visualize the captain in the Grenadiers winning the M.C. and the D.S.O. in the last war.

The Prime Minister is known to think highly of him, and so do his immediate associates. The House likes him without yet quite understanding him. If we would have Sir Archibald Sinclair speak rather less to us as a public meeting we would, paradoxically, like Captain Lyttelton to speak to us a little more in that manner. His style and material are good, but a story must have headlines.

* * *

### *A Psychologist*

The appointment of Admiral Sir Percy Noble as Commander-in-Chief, Western Approaches, will have the fervent approval of every man who ever served under him. It will fall to his lot to direct the counter-offensive against the U-boats, and it is hard to think of any better man for the job. Above all he is a psychologist and accustomed to search men's minds. Even when trying defaulters in his ship for trivial offenses he took pains to get to the bottom of their thoughts in order to understand the motive of their misdemeanor. He has almost a passion for seeing what is the other man's point of view. Now he will have to search the minds of the submarine commanders to anticipate the methods by which they will pursue their murderous campaign.

Sir Percy has the rare gift of being utterly imperturbable without becoming sluggish. For one thing, he is absolutely fit, subjecting himself to the Spartan routine of rising at six o'clock each morning and indulging in prolonged exercises. Oddly enough, when he was Commander-in-Chief on the China Station, the rumor spread that his hair had gone white and that he had prematurely aged. When he returned to this country, however, he looked younger than ever, and nothing like his years. He was director of Naval Equipment at the Admiralty in 1931 to 1932, Rear-Admiral commanding the Second Cruiser Squadron from 1932 to 1934, and Fourth Sea Lord from 1935 to 1937.

We have every reason to believe that the appointment of this early rising, vigorous, cool-headed 61-year-old sailor will not meet with the approval of the Wilhelmstrasse.

* * *

### *Assorted Paths*

Three well-known people died recently, people who found their life's work in widely assorted paths. Sir Lionel Faudel-Phillips, one of H. M. Lieutenants for the City of London, succumbed to a heart attack at 63. His public responsibilities were many; he was treasurer and chairman of the Royal Hospital of Bethlem and Bridewell, trustee of the Wallace Collection, and Master of the Spectacle-Makers' Company. He had been Councillor, Mayor, High Sheriff, a Territorial, and he even worked for a time at the Foreign Office. We do not erect statues to such men, we take them for granted. Yet throughout his life one finds the recurring theme of community service without thought of reward.

Sir Henry Walford Davies will be sadly missed by the people to whom he was making good music intelligible. Perhaps there is nothing else in life that more richly rewards a little effort of understanding than music. At the microphone Sir Walford's friendly, unpompous style made us feel that Tschaikovsky really meant something when he wrote that gorgeous theme in the "Pathétique" and that he was trying to send a message to ordinary people. Oddly enough, the distinguished music master who has just died was particularly fond of rhythm which, of course, is an utterly primitive thing only bearable by the sensitive ear when used sparingly. Nothing has so debauched the musical sensibilities of the human race as the eternal rhythmic monotony of the fox trot.

Sir Walford was born to music. His father was an enthusiastic amateur and Walford and his brother, Professor Harold Davies, of Adelaide University, Australia, both made their mark on the musical life of the generation. Sir Walford held many organistships and other musical appointments, but apart from his broadcasting he will be longest remembered for his 25 years' leadership of the music of the Temple Church.

Sybil Viscountess Rhondda was a woman of strong character and firm views. She was a daughter of G. A. Haig, of Penithon, Radnorshire, and a cousin of Lord Haig. She was a loyal and hard-working partner to her husband in his job as Food Controller in the last war and after his death in 1918 she took a direct interest in public affairs.

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## Ottawa Providing Loans for C. N. R.

**From Our Own Correspondent**

MONTREAL. — While it is expected Canadian National Railways will avoid an operating deficit in the current year, loans from the Dominion of $29.4 millions are provided in estimates tabled in House of Commons.

Of this, $19.7 millions is for capital expenditures, $344,000 for acquisition of securities and $9.4 millions for retirement of maturities. Last year loan requirements were estimated at $50 millions, of which $14.9 millions went for the hire-purchase agreement with the Dominion, $17 millions actual 1940 deficit, and $7.5 millions for loans.

Total operating revenues in the current year are estimated at $290 millions compared with $247.5 millions last year. Net revenue for 1941 is estimated at $63 millions against $45 millions in 1940. Interest due the public on long-term debt is placed at $44.8 millions, compared with $48.7 millions in 1940.

# *A Professional Man's Investments*

## Doctor Details Plan of Financial Security

How can the professional man achieve financial independence? What are sound investment policies for him?

Dr. James B. McClinton has outlined his own scheme in a recent Ontario Medical Association bulletin and his programme seems equally applicable to doctors, dentists, lawyers and other professional men who have spent years—and thousands of dollars—on their training.

This programme starts with definition of the objectives to be achieved. For Dr. McClinton they include "an abundant life," ability to educate his family, continual training and education in his chosen profession and provision for financial independence in his old age.

Some of Dr. McClinton's programme is applicable particularly to his own profession. He recommends insurance of his hands for a surgeon, for example. He emphasizes the desirability of a wife, although she only occupies fourth place in his programme.

Good health forms the first plank.

### Lots of Life Insurance

"His second investment must be ordinary life insurance with the lowest premium. He must not buy fancy policies. He must buy a policy that can be converted to any other type without further medical examination.

"The minimum insurance to carry should be $15,000 for himself and $10,000 for his wife and $10,000 for each child. A married man with one child would carry $35,000 insurance and this would cost him at age 35 a little over $2 a day. He should attempt to pay his insurance at least two years in advance and he should never borrow on his policy unless in dire need. The only way the doctor can outwit and outlive an insurance policy is by protecting his health and keeping his premiums paid up.

"Provision for disability must be made by purchase of an accident and sickness policy from a well-known company and a reputable salesman. Such a policy must include quarantine as well and protect him for at least one year. It should pay him $300 a month for one year and would cost him about $15 a month. His policy should be examined for loop holes by a reputable lawyer and he must never sign a release in the event of disability until at least one month has elapsed following his recovery. Remember he may be dealing with nimble wits. He must keep such a policy in force until his home is paid for, his insurance paid three years in advance and cash in the bank equal to $700 for each member of the family. Such requirements, of course, may take years."

### Cash and A Home

The third step is accumulation of at least $1,000 cash in the bank. Next comes the wife.

Fifth comes a home, about which Dr. McClinton says:

"Regardless of governments, inflated or debased currency, a wall will still keep out the wind, a roof the rain. He should before buying a house be able to pay one-third the cost of the house and lot and the rate of interest on the mortgage must not be more than twice the current rate on Government bonds. His house should be exposed to the sunlight, large enough for playing children, near a school and protected from the north wind. His house Must be kept in a complete state of repair.

"His next investment is in Government Annuities. Rare indeed is the professional man who can invest. What seems the path to heaven's financial pastures are tomorrow but sad memories. The State realizes this and Government annuities are the provisions of all well established governments. It never appeals to the gambler. You put your money in, big or little, and you only draw little bits out. The gambler throws in 'the works' and expects to win a fortune. It just can't be done. Government Annuities are payable in monthly installments of any size up to $10 a month for each member of the family.

"The doctor should buy Dominion Government Annuities for himself and his wife. If he cannot keep up the payments no harm is done and he is paid back in small amounts the total of his investment with a good rate of interest compounded."

### Bonds and Stocks

Investment in the ordinary sense plays a minor part in Dr. McClinton's programme. After the professional man has his insurance, his home, his government annuities, he may venture to buy government bonds, industrial stocks, mining stocks and "speculations" in that order. Government bonds, he feels, need no justification. To industrial stocks he applies the test of time, asking how long the company has been in operation; how long has it paid regular dividends; is its product always in demand.

He admits the "romance" of the mining industry but wants investors to remember that mining is a "dissipating industry." As the return on mining stocks is in part a return of capital, it should be high, he insists. He wants in his mine, good management, at least moderately high-grade ore reserves, nearness to labor and markets and ample supply of other essentials such as power.

When it comes to what he terms "speculations," he has this to say:

"A penny stock is usually worth what the term means. The stocks selling at five cents or six cents are not deceptive. Investors should bear in mind that when he purchases penny stocks he must be willing to lose the investment. It is definitely a gamble and must not be confused with the mining investment. He should not speculate with more than 10% of his savings left after he has made provision for cash in bank, home insurance and government annuity."

# Keeping Posted . . . . . . .

### By JOHN C. KIRKWOOD

F. A. Sutcliffe, graduate in law, is in the Angora rabbit business at Abercorn, Que., 74 miles from Montreal, and not far from the Vermont border. The field for Angora wool, says Stylewear, is "unlimited." Contracts for 1941 require over 10,000 lb., representing wool from over 10,000 rabbits (average fleece 12 to 16 ounces).

Angoras are hardy and are raised in all parts of Canada. They live 6 to 10 years. They do not multiply as rapidly as common rabbits, but a healthy doe should raise 12 to 16 a year. Commercial spinning is done in Ontario and Quebec, hand-dyeing in Montreal, weaving by the Canadian Handicrafts Guild.

* * *

### *New Power*

Recent events have directed engineers to seeking new ways of producing power. From a military point of view hydro-electric plants are vulnerable; so are long-distance transmission lines. These considerations emphasize necessity of steam stand-by service. Great central stations are targets for attack. The large station creates many serious smoke problems. Diesel engines have been one solution in industrial plants and for municipal public utility services. The gas turbine is now attracting power engineers, and may find a place where cheap oil and gas are available; particularly where water is scarce. It may also be used on locomotives.

Post readers interested in ways of producing power should read the article, "Modern Trends in Power Development," by A. G. Christie, professor of mechanical engineering, Johns Hopkins University, the April issue, Modern Power and Engineering.

* * *

### *What's Right*

A young man who gets around asked the editor of Mayfair Magazine on what to wear and when to wear it. Here's the answer, in brief: Cocktail party, in a city hotel, dark blue suit; at a country club, jacket of brown tweed, trousers of tan gabardine; informal Sunday night party in the country, brown tweed suit; business luncheon date in town, dark blue suit; business date country, tan gabardine suit; sporting events, (spectator), brown tweed trousers with tan Shetland sports jacket; dinner and theatre party, dinner suit. Also indicated; the right shirt, the right socks, the right shoes, and the right tie for each occasion.

* * *

### *Bulbs Booming*

Today, in British Columbia, more than 90 farms are growing bulbs for the Canadian market. By December possibly 275 acres will be under cultivation exclusively for bulbs. Dominion Government officials estimate that they will inspect about 35 million British Columbia bulbs the present season. Growers see the day —not far distant when the B. C. bulb crop will be one of the province's important cash agricultural items, challenging the $5 millions apple crop of the Okanagan Valley.

Florists and farmers knew long ago — says an article in Maclean's Magazine for May 15—that British Columbia could grow bulbs well, but it was not until the war cut off supplies from Holland and Britain that British Columbia got its chance to supply the home market. Before the war Canada used to import 50 million bulbs annually.

* * *

### *Patriotic Pulchritude*

Prior to war Canada was the world's leading exporter of silk stockings. Now stockings are being made from silk with an admixture of rayon or lisle to reduce raw silk importations to economize on foreign exchange. So we have new style women's hosiery. At first feet and tops were rayon or lisle, the legs pure silk. Now the whole stocking is made from a blend of pure silk and a substitute. The new government requirements have given stocking manufacturers a variety of technical problems. Saving silk is another way women contribute to Canada's war effort.

A Sensible Safeguard

- Leaving your property in trust with the Crown Trust Company as one of your Executors is a sensible way to safeguard your estate and protect your family's future.
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The advantages of modern steel stalls over ordinary wood construction, are fully appreciated by owners of both large and small herds. This Pedlar equipment is equally important in old or new barns and the owner can well afford to tear out the old wood stalls to make room for the fittings that improve the health of his stock and contribute to increased milk production. The Pedlar line comprises all the fittings required for an up-to-date and efficient barn.

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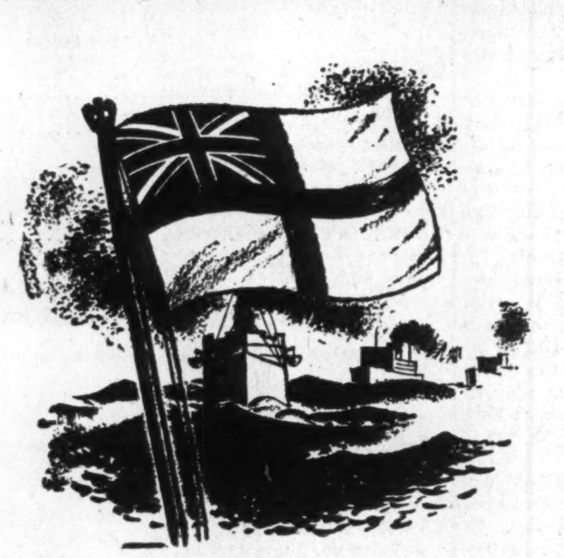


Challenge!

*"Let us go forward with our united strength"*
THE RT. HON. WINSTON CHURCHILL

This is a fight to the finish. No room for half measures. No room for delay. This is urgent . . . vital . . . pressing. This is WAR.

More men, well equipped, well clothed, well fed, mean more dollars.

**Canada looks to you to supply those dollars . : . and to keep on supplying them till this war is won.**

Start saving NOW. Buy war savings certificates regularly. Build up your savings account. Be ready to enlist your dollars in this fight for human freedom and decency.

Be glad you can help so simply and so effectively.

Save for Victory.

THE ROYAL BANK OF CANADA
WAR SAVINGS PLEDGE FORMS AVAILABLE AT ALL BRANCHES

The once idle minute now does its job, too

*Time rules the present as never before. Nations strain forward in productive effort in a new tempo of must. From this urge to more work, better work and quicker work, no one of us is free. Men and machines are called to the colours of production. This busy world we live in needs its occasional pauses so it can go on being busy. Luckily, people have found how ice-cold "Coca-Cola" can make even an idle minute do a refreshing job of its own.*

People long ago discovered that ice-cold "Coca-Cola" made any pause *the pause that refreshes.* It does something needed . . . something pleasant . . . for every walk of life. It's a little minute long enough for a big rest . . . a refreshing moment on the sunny side of things. So, you find *delicious and refreshing* "Coca-Cola" doing a necessary job for workers—putting its shoulder to the wheel in factory, farm, workshop, office and at home—bringing welcome refreshment to the doers of things.

Of course, "Coca-Cola" is only a soft drink. And its price is only five cents. But surely it is significant when enjoying a five cent soft drink becomes an everyday custom. It must have something very exceptional in the way of "delicious and refreshing" when such phrases as "Give me a 'Coca-Cola'" and "Make mine a 'Coke', too" have become familiar expressions commonly heard and used by so many people, practically everywhere.

DRINK Coca-Cola

**THE FAMILIAR COOLER FOR "COCA-COLA".** In offices, factories and workshops, business management has discovered that a short pause for refreshment during working hours increases efficiency, promotes contentment. To meet this need, "Coca-Cola" is readily available in thousands of places where people work. Busy people appreciate that little moment of relaxation. *The pause that refreshes* with ice-cold "Coca-Cola" promotes more work and better work. Thus industry's need of a pause for refreshment with "Coca-Cola" has built yet another industry.

Pause... Go refreshed
Coca-Cola
5¢

Enjoy *The Pause that Refreshes* with ice-cold "Coca-Cola"
THE COCA-COLA COMPANY OF CANADA, LIMITED

**Investment Trends**

# Stocks Recognize Lack Of Growth Prospects

### Earnings Should Maintain Last Year's Levels But Taxes Make Gains Difficult—Non-resident Tax on Dividends Stays at 15%

Compared with a year ago, stock market averages are substantially lower. For example, the Montreal Stock Exchange's average of 20 industrial stocks closed last week at 52.4, down 0.7 from the previous week's close and down 3.4 from a month earlier. Going back to the corresponding period of 1940, however, the drop is from 77.4, or 25 points.

A year ago, no one had any conception of what this war was going to mean in the factors that affect investment. A year ago it was almost impossible to be very realistic in appraising how heavy war taxation would become. High profits are out for the duration of the war at least. Rather, we are in for a period of stabilized earnings—and therefore the best that can be hoped for on the average is maintenance of prevailing rates of dividend income. There will be some exceptions but this is the general pattern.

To look for rapid recovery of stock prices is probably premature until the war outlook clears. Leadership is hardly likely to come from United States markets so long as debate continues over the extent of that country's war participation. But it should be remembered that nothing has been said that suggests a collapse of stock prices. There is no suggestion that investors should lose sight of the attractive returns available from seasoned industrial securities.

• • •

*Non-resident Taxes*

Announcement by Finance Minister Ilsley that the tax on interest and dividends paid to non-residents will revert back to the old 5% rate when such payments are made in currencies other than Canadian dollars relieves much of the concern felt by holders of Canadian securities, particularly in the United States. The higher 15% rate, however, will still apply to payments to non-residents made in Canadian dollars. It is expected that the United States will adopt similar rates, although just how Canadians will come out in this case is hardly clear yet. In actual practice the U. S. tax on investment income paid to non-residents applies only on payments made in U. S. dollars. There is not in that case a situation corresponding to that so common in Canada where debtors have to meet interest payments in U. S. funds.

The 15% rate, however, still applies to dividends paid in U. S. funds as the change to the old 5% rate only applied to bond interest paid in other than Canadian funds.

Thus holders of such stocks as Aluminium Ltd., Andian National Corp., Distillers Corp.-Seagrams preferred, International Nickel common and preferred and Moore Corp., residing in other countries, will find 15% deducted from their dividends. This fact that the reduction to the old 5% rate was not made general throws some doubt on what action the U. S. may take.

• • •

*U. S. Profits Higher*

At first glance the 16½% tax now being levied against non-residents by the United States appears to remove the advantage to Canadians in continuing to hold U. S. securities, with the exchange premium at 10%. Much depends on the Canadian income taxes paid by the holder of these securities. If he pays more than 16½%, the deduction by the United States will not affect him greatly, as the tax paid on U. S. income at the source is deducted from his Canadian returns.

In addition corporation taxes in the United States are as yet substantially below those paid by Canadian companies. A study of 345 reports for the first quarter of 1941 shows a gain in net profits of U. S. companies of 17.7%, after taxes. The study, prepared by the National City Bank, cannot be duplicated with accuracy in Canada for the first three months of 1941, but the effect of taxation in Canada in the full 1940 year has been shown to bring a reduction in net earnings of about 3%. The changes in the application of excess profits taxes have probably not been sufficient to reverse this trend, while the rise to 40% of the basic tax rate would appear to impair earnings prospects of the large number of companies which have not been strongly influenced by war conditions.

If the 17.7% gain in profits were reflected in dividends, the net return to Canadian holders would more than offset the 16½% tax. But the prospects for higher corporation taxes in the United States are strong and the tax measures before Congress may be revised upward before the conclusion of the present session. Several plans are under consideration and it seems likely that the breathing spell enjoyed by American business will be of short duration.

• • •

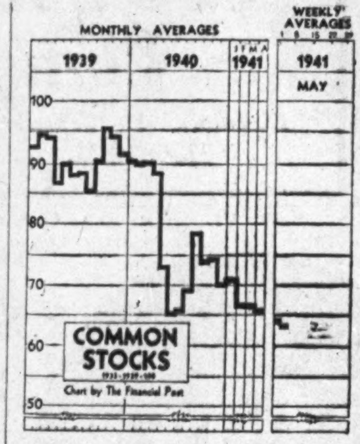
*The Oil Business*

The oil business is truly international. When something happens to threaten continued operation of oil fields in Iraq, shares of International Petroleum Co., operating on the other side of the world, show more strength than they have evidenced in weeks. The somewhat devious reasoning apparently is that the British fleet will still need oil and it may now turn to South America for a greater share of this commodity.

Of course, it is doubtful if any oil from International Petroleum's fields in South America will find its way directly to the eastern Mediterranean.

There is some encouragement in this evidence that investors are still paying attention to possible influences on their favorite stocks, something not very evident recently.

Perhaps there is also ground for encouragement that many stock prices have discounted the worst that the war is likely to bring in coming months.



## Investment Notes

**Western Steel Products** subsidiary, Metallic Roofing Co. of Canada has been awarded contracts for land transport to the amount of $146,472 by the Department of Munitions and Supply.

• • •

**Canadian Locomotive** — Largest volume of business on hand, totalling over $5 millions was reported to shareholders at the annual meeting. Payment of 9% interest on the 6% bonds was ratified covering 1½ years requirements. Following this announcement, the bonds strengthened by approximately three points.

• • •

**Sarnia Bridge** — Department of Munitions and Supply, announces granting a $150,000 contract to Sarnia Bridge for the erection of a steel airplane and engine overhaul depot at London, Ont.

• • •

**Montreal Cottons** received contracts for clothing totalling $133,750 from the Department of Munitions and Supply the week ended April 25.

• • •

**Department of Munitions & Supply** contracts for week ending April 25 include the following:

| | |
|---|---|
| Canada Packers Ltd., Foodstuffs | $ 46,178 |
| Montreal Cottons Ltd., Clothing | 133,750 |
| Dominion Rubber Co., Clothing | 74,072 |
| General Steelwares Ltd., Dockyard Stores | 23,850 |
| Ford Motor Co. of Canada, Land Transport | 37,413 |
| Fairchild Aircraft Ltd., Aircraft | 50,742 |
| Canadian Marconi Co., Electrical Equipment | 53,479 |
| McColl-Frontenac Oil Co., Gasoline, Oil & Fuel | 95,692 |
| Imperial Oil Ltd., Gasoline, Oil & Fuel | 151,250 |
| Canada Iron Foundries Ltd., Machinery | 11,613 |
| International Metal Ind., Munitions | 238,140 |

• • •

**Ford of Canada** — This company received orders for mechanical transport totalling $1.6 million from the Department of Munitions and Supply in the week ended April 18, 1941. This was the largest single order announced for that week when aggregate contracts awarded amounted to $7 millions.

• • •

**Canadian Canners** — Reduced export demand caused lower earnings for Canners in its latest fiscal year, but changeover to domestic business resulted in a sharp improvement in the liquid position. Cash balances rose over $1.1 million, government bond holdings increased over $80,000, while accounts receivable fell $600,000 and inventories $300,000. Full effect of the gain did not show in working capital owing to the rise of approximately $334,000 in reserves for income taxes.

• • •

**Goodyear Tire**—Capital expenditure assistance to the amount of $592,378 was obtained by the company from the Department of Munitions and Supply in the week ended April 18.

• • •

**Dome and Lake Shore** — In the three months ended March 1, 1941, Incorporated Investors, a large investment trust with head office in Boston, bought 5,000 shares each of these two stocks. This trust held 15,000 shares of Dome and 10,000 shares of Lake Shore at the end of March.

## Significant Investors' Index Numbers

| No. of Securities | Mach. and equip. 8 | Pulp and paper 7 | Milling 3 | Oils 4 | Textiles and clothing 10 | Food and allied prod. 12 | Beverages 7 | Bldg. mater. 15 | Power and traction 15 | Banks 8 | Total utilities 19 | Total co's. 95 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (Base 1935-39=100) | | | | | | | | | | | | |
| 1929-40:* | | | | | | | | | | | | |
| High | 345.7 | 564.5 | 322.3 | 212.5 | 168.2 | 123.2 | 163.1 | 202.1 | 297.5 | 160.9 | 329.3 | 180.7 |
| Low | 68.5 | 49.8 | 63.6 | 46.5 | 76.0 | 76.9 | 67.0 | 71.2 | 68.2 | 84.6 | 68.4 | 64.0 |
| 1941: | | | | | | | | | | | | |
| Monthly Figures: | | | | | | | | | | | | |
| Jan. | 77.6 | 74.1 | 72.3 | 51.6 | 110.6 | 96.8 | 104.3 | 84.0 | 75.4 | 94.7 | 77.3 | 71.3 |
| Feb. | 72.9 | 63.8 | 69.5 | 48.7 | 105.0 | 90.1 | 96.6 | 77.3 | 68.8 | 90.9 | 71.3 | 66.5 |
| Mar. | 73.6 | 65.4 | 69.5 | 49.5 | 103.1 | 87.9 | 93.7 | 78.5 | 67.0 | 89.9 | 70.7 | 66.8 |
| Apr. | 73.2 | 63.9 | 68.6 | 49.4 | 101.3 | 88.6 | 88.1 | 77.8 | 62.2 | 89.7 | 68.2 | 65.8 |
| Weekly Figures: | | | | | | | | | | | | |
| May 1 | 72.6 | 60.9 | 66.4 | 49.0 | 99.3 | 87.9 | 85.0 | 75.9 | 61.8 | 90.0 | 66.5 | 64.5 |
| May 8 | 72.2 | 59.4 | 62.5 | 51.3 | 98.0 | 87.3 | 82.3 | 73.9 | 61.4 | 88.8 | 65.6 | 63.9 |
| Mo. ago | 73.7 | 64.8 | 68.3 | 50.2 | 102.3 | 88.2 | 89.5 | 78.4 | 62.0 | 89.3 | 68.1 | 66.5 |
| Yr. ago | 99.0 | 116.0 | 106.0 | 72.6 | 132.6 | 112.2 | 107.7 | 99.1 | 89.3 | 101.1 | 89.5 | 83.7 |

*High and low for year from 1929 to 1940 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

**Toronto Stock Exchange Index**

| | 20 Indust. | 20 Golds | 10 B.M. | 15 W.O. |
|---|---|---|---|---|
| May 13 | 87.76 | 96.67 | 60.79 | 17.26 |
| May 12 | 87.92 | 96.79 | 60.64 | 17.31 |
| May 10 | 87.47 | 96.81 | 60.57 | 17.46 |
| May 9 | 87.32 | 96.77 | 60.31 | 17.43 |
| May 8 | 87.69 | 96.73 | 59.92 | 17.48 |
| May 7 | 88.26 | 96.34 | 60.04 | 17.75 |
| Month ago | 89.48 | 97.81 | 62.10 | 17.98 |
| Year ago | 114.55 | 101.67 | 74.01 | 20.44 |
| High 1941 | 103.48 | 109.76 | 69.33 | 21.62 |
| **Low 1941** | **87.32** | **96.34** | **59.92** | **17.30** |

**Montreal Stock Exchange Averages**

| | 10 Util. | 20 Ind. | 30 Chd. | 10 Pprs. | 15 Golds |
|---|---|---|---|---|---|
| May 13 | 43.4 | 52.8 | 49.7 | 60.39 | 73.24 |
| May 12 | 43.2 | 52.7 | 49.5 | 59.37 | 73.29 |
| May 10 | 43.1 | 52.4 | 49.3 | 59.97 | 73.37 |
| May 9 | 43.2 | 52.5 | 49.4 | 60.09 | 73.28 |
| May 8 | 43.2 | 52.3 | 49.3 | 59.34 | 73.45 |
| May 7 | 43.7 | 52.3 | 49.5 | 60.42 | 73.71 |
| Month ago | 45.3 | 55.6 | 52.2 | 64.37 | 76.24 |
| Year ago | 58.1 | 65.0 | 62.7 | 87.56 | 72.98 |
| High 1941 | 54.3 | 66.4 | 62.3 | 82.25 | 79.99 |
| **Low 1941** | **43.1** | **52.5** | **49.3** | **59.34** | **73.24** |

# Pay Demands Shift War Burdens

(Continued from page 1)

for higher living costs and a reasonable sharing of greater business, would clash violently with the basic principles of Canada's war effort. It would threaten a sweeping upset in the mobilization of national resources.

Canada's participation in the war is predicated as far as possible on equality of sacrifice from all classes of citizen; and on a "pay-as-you-go" basis of financing, through diversion to the war effort the highest feasible proportion of resources of wealth, goods and services. For employers to grant pay increases absorbing the burden on war taxes and savings on the worker would threaten serious repercussions, among them:

1. It would defeat the basic double purpose of war taxation, to meet war costs as much as possible by direct assessment on income of all citizens, and at the same time to "restrict civilian demand for economic resources" needed for war effort. It would also add greatly to the cost of war production.

2. It would touch off the beginnings of an inflationary spiral with adverse effects on the national economy, war financing and workers themselves. In the last war, the rise in prices was far greater than the upswing in wages, and a similar trend could readily be started by pyramiding wages now. In effect, if labor's war contributions are to be replaced by pay increases, the upward pressure on prices would be intensified both directly and through the greater demand for civilian goods.

3. It would involve an unsound and inequitable principle, as the employer would virtually be relieving his employees of any war sacrifice. In view of the heavy demands of war taxation on company profits, it is deemed only fair labor also should help to fight the war on a "no profit" basis and accept its share of the sacrifices involved.

4. Whether paid in the form of wage bonuses or straight increases in wages, such pay advances tend to set established levels in the eyes of workers. In addition to the difficulties engendered during the war, this would lead after return of peace to either renewed labor disturbances if pay rates were cut or, if maintained, aggravate the difficulty of recapturing Canada's place in international trade.

### Industry's "Cost of Living"

Despite the pressure of existing and demanded wage increases on industrial price structures, industry has been persuaded or specifically prohibited from raising prices to absorb the increase in its own "cost of living"—higher costs of raw materials, transport, wages, taxes, etc. This is one aspect of the apparent lack of co-ordination, if not conflict, between various phases of Government policy.

### Impact Varies

The impact of the wages problem varies considerably between different groups of industry and classes of workers. In the groups where both wages and earnings have shown marked increases, chiefly those engaged in war production and the highly skilled men in civilian industries, the increase in annual income has been far greater than any slice taken by war taxation. Yet even here pressure for wage increases continues in many cases, often where cost of living wage bonuses are being paid.

Facing a more acute problem are the more or less normal, non-war industries, and the low salaried clerical workers, particularly women, in industry as a whole. There are many firms not sharing in the war supply effort or in the higher volume of business from wartime activity generally. With their earnings approximately the same or even less than before the war, or with taxes offsetting any expansion in gross business, it would be difficult for such firms to shoulder a general increase in wage levels.

### Earnings Up

One firm in a purely civilian line of business reports annual earnings of production employees averaged over $1,500 last year, reflecting an increase of from $140 to $170 over the averages for 1938 and 1939. As the payroll includes a number of girl workers and apprentice helpers as well as groups of highly skilled men, the actual range of income is from relatively low brackets up to well over $2,000.

In this plant a sample worker with earnings at the average level, and having a family with two children to support, is not subject to income tax. His national defense tax last year would amount to only $7, and this year will run less than $25. This still leaves him free to spend a substantial portion of his increased earnings, and the company is meeting his increased cost of living (apart from taxes) with a wage bonus spread evenly over all workers.

The bonus is being computed by taking a set percentage of payroll, dividing by the total number of employees, and then adjusting individual bonus payments so as to give relatively greater amounts to low paid and married employees. This is to be a regular bonus, revised periodically to meet changing conditions, as distinguished from the lump sum bonuses paid by many firms at the end of last year.

### White Collar Workers

A more knotty problem for both employer and employee is that of the clerks, stenographers and other "white collar workers" in the lower income brackets, who loom as the "forgotten men"—and women—in the present picture. Many employers feel that the tax sacrifices imposed on such workers are extremely heavy, especially in comparison with those imposed on the average industrial worker.

For example, a clerk or stenographer making, say, around $90 a month has to meet clothes bills and other expenses arising out of the job, which is less of a problem for factory workers. Where salary increases have been given employees in this category since the start of the war, they have usually been of modest proportions. On a salary of this size, the combined income tax and defense tax levy for a single person this year will amount to $98.10—well over a full month's salary or close to $2 a week and when the N. D. T. is operative for a full year the annual tax bill will be $125.10.

### Contrast With War Plant

The special difficulties of this class, which appear to have been largely lost sight of in applying the official wages policy, stand out still more sharply in contrast with the position of production workers, especially in the war-stimulated industries where both wage rates and earnings have advanced to record levels.

This is well illustrated by the payroll figures for one of the major plants in heavy industry, turning out a basic requirement for war supply. A survey of 65 men in four main departments, all of them in the same jobs throughout the period studied, showed that wage increases and greater employment had boosted average annual earnings from $1,197 in 1938 to $1,720 last year. This is a jump of over $523 or more than 40%.

A relatively small slice of this augmented spending power has been lopped off by increased war taxation. Take for example a married worker with two children. His exemptions would relieve him of any income tax. His national defense tax last year would have amounted to only $9.70, and on the same income this year would take only $32. Yet pressure continues in this plant for further pay increases, both from individuals and from groups stirred up by union organizers.

The picture is very similar in a second big plant in the same industry, though in another city. Here average earnings ranged between $1,350 and $1,390 in 1936-38, and swung up to $1,820 last year for all plant workers. Average weekly earnings in the early part of this year showed a still further gain, over the same time in 1940. Increased earnings in this plant have been swelled by periodic bonus payments, but this has not abated demands for continued advancing of wage rates.

### Blunt Demands

There has been little or no effort by workers to conceal their aim to get pay increases that will absorb not only the rise in living costs, but also offset their contribution to war sacrifices in the form of taxes, savings and reduced standard of living. In some cases, they lump these burdens together, perhaps unconsciously or unthinkingly, in seeking to boost their net income up to normal or even higher levels. But with increasing frequency groups or workers or union organizers are bluntly citing war taxation to justify demands for more pay.

One company employing 1,400 men was recently faced with a demand for a general increase in wages. In giving reasons for the request, the men referred not only to the cost of living and a 5% increase given to workers in another plant in the same industry, but complained that "forced" buying of war savings certificates and the impact of war taxes had eaten heavily into their earnings.

In fairness to labor generally, it should be noted that many firms enjoy excellent labor relations, and report their employees well satisfied with the pay adjustments and wage bonuses given since the war began. But in a growing number of cases, such ideal conditions are being disrupted by union organizing activity, some employees finding it hard to resist assurance of higher wages if they join up. In one large metal working plant recently penetrated by union activity, hourly wage rates are nearly 50% over pre-war years and average weekly earnings have been increased even more by the tremendous expansion of operations.

### Lack of Real Curb

In this and many similar plants, both wage rates and earnings are up to if not well above 1926-29. But failure of the Government wage policy to act as a real curb on demands for ever higher wages, has confronted employers with constant wage bickerings and other unrest. It is feared the pressure may increase with the advent of unemployment insurance and the further charge on workers' earnings for the insurance fund.

Some employers are coming to the view that the findings of conciliation boards in conformity with the Government wage policy should be made mandatory, as was originally proposed. This would preclude the existing right of both employers and workers to reject such findings, and deny the right of the workers to strike in protest.

### "Stealing" Workers

On top of all other factors contributing to the high wage problem, some companies report they are still faced with competitive bidding for skilled workers between plants. Despite government efforts to discourage the practice, it is said, attempts to meet labor needs by "stealing" men from other plants continues. Attempts to meet the competitive offers of wage increases has aggravated the problem of holding wages within reasonable bounds.

One concern faced with this situation has had to make repeated adjustments in individual wages, on top of a general upward trend of all plant wages. Average weekly earnings in the plant have been raised from $18 a week in 1939 to $33 a week partly as a result of steadier employment and a longer work week. Yet the firm is faced with agitation for still further increases in wage rates, both from within the plant and by a labor union from without. One circular distributed to employees advanced the preposterous argument that "wages have been cut in two by war taxes."

The competition for workers has also affected both production staffs and clerical employees in the regular civilian industries, who are being drawn away to active war industries by assurance of higher pay. In a great many cases these men, along with recruits from technical schools and unskilled workers from general industry, are getting wages out of line with the limited skills they acquire through emergency training.

Despite the generous pay of this type of worker, certainly in relation to their value and skills, they are constantly pressing wage demands which often are branded "exorbitant." In several plants in an essential war industry, unskilled workers getting as much as some skilled tradesmen are among union adherents seeking higher rates in the near future. The lowest rating of workers in one factory is asking 50 cents an hour.

### In Regular Industries

Unions established in civilian industries are also pushing proposals for new wage increases, either as straight jumps in rates or as wage bonuses, though in most cases prevailing wage rates and earnings are at or beyond 1929 levels.

In the newsprint industry, for instance, 1940 wage rates were 35% to 40% above 1929, and weekly working time was considerably greater. Nevertheless, the new labor contracts currently being made, generally provide for a cost of living bonus though most companies are standing firm against any further increase in basic wages.

The big Quebec textile industry has been unionized only to a limited extent, though some organizing efforts are currently proceeding in Montreal, perhaps to pave the way for a province-wide campaign. The average wage level of Quebec textile workers has been raised through increases in general or individual rates and through wage bonuses, to about 20-22% above pre-war figures. Wage rates of the principal operator in the field, Dominion Textile Co., have been raised 10 to 15% since the war started and are now 26% above 1929, and the company is putting a cost of living bonus into effect.

In the construction industry, wage levels were lifted in most areas last year, and this spring further increases have been granted or are being negotiated. Even with these increases, wages are still below the 1929 level, but employers are disquieted by the feeling that building labor is seeking higher rates to offset war taxes.

# Business Firms Getting Behind War Loan

From Our Own Correspondent

OTTAWA. — Canadian business firms are getting behind the Victory Loan—1941. Though the campaign does not officially open until June 2, already a number of firms have submitted plans to the Dominion Executive here as to certain schemes they intend adopting in order to help put across the loan.

• • •

Canadian National and Canadian Pacific Telegraphs, as well as Canadian Marconi Co. will overprint all their telegraph and wireless blanks with the inscription "Help Finish the Job—Buy Victory Bonds."

• • •

Tucketts Ltd. of Hamilton, cigarette and tobacco manufacturers, has agreed to give the Victory Loan a full showing on its billboards. It will have two designs — one showing Prime Minister Churchill and President Roosevelt.

• • •

The Dominion Post Office will use a special cancellation on letters, etc., between May 23 and June 21. Some will read "Buy Victory Bonds" and others "Buy Victory Bonds—Souscrivez a l'emprunt."

• • •

A huge rally is being planned for June 3 in Toronto's Maple Leaf Gardens. Dorothy Thompson will be the speaker. The rally is sponsored by local women's organizations.

# Nazi Control of Brazilian Latest "Nerves" Rumor

Latest story to come from Lisbon, rumor factory and refugee centre of Europe, is that Hitler's financial agents are proceeding to buy control of Brazilian Traction, Light & Power Co., giant utility enterprise in Brazil. Like other such yarns, the Brazilian story purports to come from "reputable" sources, including a Buenos Aires newspaper editor, and "financial sources" in Montreal and New York. The purchases are said to be in the name of "Anton Bauer," representing the German Government.

Except for a small quantity of stock formerly traded on the Brussels Bourse, and a limited market on the New York Curb, only exchanges where large purchases of Brazilian Traction stock could be made are in London, Montreal and Toronto.

Aside from the question of whether control of Brazilian Traction could be acquired on the open market at anything like present prices, the problems facing an alien wishing to do so would be overwhelming. He would have to evade the regulations against trading with the enemy, any agent acting for him would be liable to charges of assisting the enemy. He could not own the stock in his own name, nor could he vote any stock he was able to acquire. The certificates would be worthless to the enemy without victory. With victory, as demonstrated by previous experience, stock control would be unnecessary to the Nazis.

Market action of Brazilian shares does not betray any accumulation. Price has ranged between $5 and $7.62 in 1941 to date, not much above last year's low of $3.75, well below last year's high of $10.62. With the exception of 1940, Brazilian has never sold down to $5 before. Few investors would be attracted to sell at the 1941 high of $7.62, since, except for the few who might have bought in 1940, the only holders who could take a profit at that level would be those who bought at the lows of $7.12 in 1935 and $7 in 1933.

Only known attempt to buy up control of Brazilian goes back to 1929, when American & Foreign Power was reportedly in the market for the company and the name of the Belgian financier, Loewenstein, was linked in stories of fabulous offers. Prices as high as $100 per share were mentioned in connection with the sale of the company, and although these were not substantiated, the stock hit a high of $82 largely as a result of the rumors.

The 1929 boom in Brazilian shares was not weakened by the current optimism. Earnings per share as high as $4 were talked for the stock, despite the fact that Brazil was experiencing currency troubles, the price of coffee had already slid from 18 cents to 9 cents, and internal political difficulties were acute. In the 1929 sell-off the stock fell to $30 a share, more in line with actual earnings for the year of $2.67.

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Can. Locomotive 6/53
Gurney Fdry. 5½/49
Gypsum Lime 5½/48
Western Grain 6/49
Abitibi P. & P. 5/53
Brown Co. 5½/46
Cons. Paper 5½/61
Price Bros. 5/57
Can. Industries "A," "B" & Pref.
Loblaw Groc. Inc.
Sterling Coal 6/45
Sutton Horsley
PLAXTON, CHERRY & Co.
330 Bay St. Toronto AD. 5801

# Canadian Cottons, Limited

## Annual Report for Year Ended March 31st, 1941

To the Shareholders:

Your Directors submit herewith the Balance Sheet of the Company as at 31st March, 1941, together with a Statement of Profit and Loss for the year which ended on that date.

Net profits, including income from investments and after providing for depreciation, for Federal and Provincial taxes and for other customary charges, amount to $601,811.30. This sum has been appropriated as follows:

| | |
|---|---|
| Pension Fund | $ 50,000.00 |
| 6% Dividend on Preferred Stock | 219,690.00 |
| 4% Dividend on Common Stock | 108,620.00 |
| 2% Bonus on Common Stock | 54,310.00 |
| | 432,620.00 |
| Balance transferred to Surplus | 169,191.30 |
| | $601,811.30 |

In last year's report reference was made to the marked increase in demand for the products of your Company during the last seven months of that year. It would appear that some of the buying at that time was of a speculative character, in expectation of a scarcity of goods and advancing markets. This resulted early in the year under review in a falling-off of new business booked and in an accumulation of manufactured goods inventory over a period of about seven months. During that time mill production was maintained with a minimum curtailment, with a view to giving as steady employment as possible. Taking the year as a whole, the volume of production established an all-time high. Since the beginning of 1941 the Trade has been buying more freely, stimulated in part by a rising raw material market.

Special taxation, made necessary by war conditions, is taking a substantial portion of profits of Canadian corporations. Your Directors are glad that there are profits out of which your Company can make its contribution to Canada's war effort. Along with tens of thousands of Canadian taxpayers, both individual and corporate, your Company is vitally interested in knowing that the hundreds of millions of dollars being collected annually are spent in an earnest effort to prosecute the war to a successful conclusion.

Employees throughout our entire organization—mills and offices—have responded enthusiastically to the appeal to purchase war saving certificates. Ninety-seven percent in all have taken advantage of the payroll-deduction plan for this purpose.

Reference was made a year ago to the large demands there will be on the liquid resources of your Company for important replacements, especially buildings. The investment in capital assets this year of $268,704.03 is not in fulfilment of that policy but has to do almost entirely with machinery replacement and new machinery, in order to maintain the equipment of your mills at an up-to-date standard.

Your Directors, in considering the investments of the Company, have decided that it is in the Company's interest to apply a portion of its surplus funds to the purchase for cancellation of such preferred stock of the Company as may be offered at a reasonable price, or its redemption from such preferred shareholders as may be disposed of their own free will to turn in their shares for redemption. The by-law submitted for your approval does not alter the rights of any shareholder and permits only the voluntary retirement of preferred stock.

At the same time your Directors have thought it expedient to add to the charter powers of the Company for the purpose of giving the Company reasonable powers in the investment of its surplus funds.

During the year Mr. Hugh M. Watson retired as Secretary of the Company, after fifty-four years of valued service. Mr. K. L. Hamilton, formerly Treasurer, has been appointed by your Board to the position of Secretary-Treasurer.

Your Directors wish to express sincere appreciation for the faithful efforts, loyalty and efficiency of all employees of the Company.

The books and accounts of the Company have been duly audited, and the Auditors' report is submitted herewith.

Submitted on behalf of the Board of Directors.

E. C. FOX, Chairman.
R. G. TOLMIE, President

### Balance Sheet as at 31st March, 1941

**ASSETS**

| | | |
|---|---|---|
| CURRENT: | | |
| Cash on hand and in Banks—including U.S. Funds converted at 10% premium | | $ 871,460.42 |
| Accounts Receivable—Less Reserve for Bad and Doubtful Accounts | | 1,327,743.42 |
| Inventories of Raw Cotton (including Cotton purchased but not delivered), Goods in Process, Manufactured Stock and Supplies, as determined and certified by the management, and valued in each case at cost or under, and not in excess of present market values | | 2,434,515.07 |
| Investments— Dominion and Provincial Government Bonds and Corporation Bonds and Shares—at Cost (Market Value as at 31st March, 1941—$4,156,650.00) | | 4,140,314.45 |
| TOTAL CURRENT ASSETS | | 8,774,033.36 |
| SHARES IN SUBSIDIARY COMPANIES | | 3.00 |
| DEFERRED CHARGES TO OPERATIONS | | 104,857.08 |
| CAPITAL ASSETS: | | |
| Mills, Plants and Properties—at Cost— | | |
| Balance as at 1st April, 1940 | $18,069,161.81 | |
| Additions during year | 268,704.03 | |
| | | 18,337,865.84 |
| | | $27,216,759.28 |

NOTE:—In computing the amount set aside for Dominion and Provincial taxes, consideration has been given to the provisions of the Excess Profits Tax Act, allowing reserves against future depreciation in inventory values.

**LIABILITIES**

| | | |
|---|---|---|
| CURRENT: | | |
| Accounts and Bills Payable | | $ 421,420.70 |
| Cotton Acceptances | | 351,216.00 |
| Due to Subsidiary Company | | 214,519.67 |
| Contribution to Pension Fund | | 50,000.00 |
| Reserve for Dominion and Provincial Taxes | | 871,587.85 |
| TOTAL CURRENT LIABILITIES | | 1,908,744.22 |
| CONTINGENT RESERVE | | 400,000.00 |
| DEPRECIATION RESERVE | | 16,460,226.84 |
| CAPITAL STOCK: | | |
| Authorized— | | |
| Preferred—6% Non-Cumulative 45,000 shares Par Value $100.00 each | $ 4,500,000.00 | |
| Common— 35,000 shares Par Value $100.00 each | 3,500,000.00 | |
| | $ 8,000,000.00 | |
| Issued and fully paid— | | |
| Preferred— 36,615 shares at $100.00 each | $ 3,661,500.00 | |
| Common— 27,155 shares at $100.00 each | 2,715,500.00 | |
| | | 6,377,000.00 |
| EARNED SURPLUS: | | |
| Balance per Statement attached | | 2,070,788.22 |
| | | $27,216,759.28 |

Montreal, 30th April, 1941
Audited and vertified as per Certificate attached.
RITCHIE, BROWN & CO.,
Chartered Accountants.

Approved:
R. G. TOLMIE, W. V. BOYD, Directors.

### Profit and Loss Account for the Year Ended 31st March, 1941

| | | | |
|---|---|---|---|
| Operating Profit after providing for items A, B, C, D, E, as below noted | | | $ 486,339.05 |
| Add: Income from Investments | | | 115,472.25 |
| | | | $ 601,811.30 |
| Deduct: Contribution to Pension Fund | | | 50,000.00 |
| NET PROFIT FOR YEAR | | | 551,811.30 |
| Deduct: | | | |
| Dividends— | | | |
| Preferred 6% | | $219,690.00 | |
| Common—Ordinary 4% | $108,620.00 | | |
| Bonus 2% | 54,310.00 | | |
| | | 162,930.00 | |
| | | | 382,620.00 |
| SURPLUS FOR YEAR | | | 169,191.30 |
| Earned Surplus as at 31st March, 1940 | | | 1,901,596.92 |
| | | | $ 2,070,788.22 |

| | | |
|---|---|---|
| A. | Depreciation | $ 579,287.86 |
| B. | Executive Salaries | 52,560.00 |
| C. | Directors' Fees | 7,775.00 |
| D. | Provision for Current Year's Income and Excess Profits, Taxes, including adjustment affecting prior years | 1,226,703.09 |
| E. | Legal Fees | 2,791.18 |

TO THE SHAREHOLDERS,
CANADIAN COTTONS, LIMITED.

We have examined the books and accounts of Canadian Cottons, Limited, for the year ended 31st March, 1941. We have verified the Cash in Banks and the Investment Securities and the Revenue therefrom.

We have obtained all the information and explanations required, and in our opinion the attached Balance Sheet and Profit and Loss Account, based upon certified inventories presented, are propertly drawn up so as to exhibit a true and correct view of the state of affairs of the Company as at 31st March, 1941, and for the year ended that date, according to the best of our information and the explanations given to us, and as shown by the books of the Company.

RITCHIE, BROWN & CO.,
Chartered Accountants.

Montreal, 30th April, 1941.

**Bond Markets**

# Mr. Ilsley Set New Peak Among Loan Objectives

## $600 Millions is Canada's Record Public Offering—Capacity to Lend Keeps Pace and Borrowing Machinery Revamped

Advance notice that the Victory Loan will be for a total of $600 millions, twice as great as the Second War Loan, will help smooth out the selling problem. It gives investors ample time to review their position and prepare to make the maximum subscription.

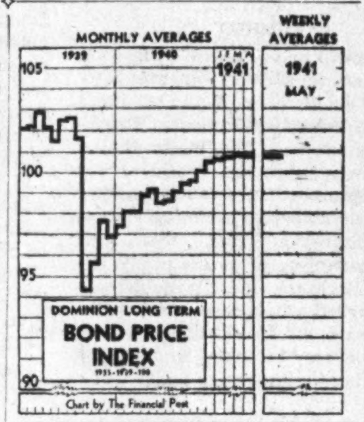
Setting the smallest denomination bond at $50 and allowing six months' for installment purchasers to pay is another positive step in making the loan easy to sell.

The idea that large war loans could be subscribed overnight vanished after the Second War Loan, as it did in the later loans of the Great War. The organization for the Victory Loan is designed to handle a tough selling problem. If the job proves easier than expected, so much the better.

No punches are being pulled in letting Victory Loan organizers and canvassers know that $600 millions is a lot of money. It is nearly as large as the total subscribed in the 1918 loan offered with victory clearly in sight, at a time when taxes were low and money easy to get. It is twice as much as the Government has ever asked in a public loan. It is about one fifth of the total bank deposits and circulating media in Canada.

Raising this $600 millions will impose a personal responsibility on Canadian investors, particularly private investors, unequalled in previous loans. Victory Loan committees are under no illusions as to their task and are organized to meet it more efficiently than ever before.

* * *



### *Ability to Lend*

While there is no question of the magnitude of the job of selling the Victory Loan there is also no question of Canada's ability to subscribe at least the $600 millions required.

Total bank deposits are now roughly $300 millions higher than before the Second War Loan, to which $342 millions was subscribed without the benefit of the streamlined organization of the present campaign.

Our population is about 3 millions higher than when we subscribed $660 millions to the 1918 loan. The number on active service is only about half as great.

Although industry is not making profits commensurate with the volume of business, it is probable that industrial companies will be in a better position to invest than they were at the time of the Second War Loan. At that time, business was still expanding under forced draught to meet the sudden new responsibilities imposed by the fall of France. Working capital was in many cases tied up in goods in process and in some cases industrial companies were borrowers rather than lenders. To some extent these goods should by now have been converted into cash, although many company reports show that inventories are still heavy.

The recovery of investments in the deposits and debentures of loan corporations is a measure of the extent to which savings accounts have been replenished. Figures for Ontario companies show that the inroads made on these investments by the $500 millions of 1940 borrowings have been largely repaired. The deposits and debentures outstanding in Ontario at the end of 1940 amounted to $110 millions, only $1.1 million lower than before the 1940 loans.

* * *

### *Discount Bonds Improve*

Recovery in the prices of semi-speculative bonds has been the market feature of the past week or so. Canadian Locomotive 6's of 1953 edged into new high ground since the outbreak of war on the announcement that 9% interest would be paid. Brown Co. 5½'s of 1946 were bid higher than at any time since last June's sell-off on news that the R.F.C. loan would be $6 millions against the expected $8 to $10 millions. Western Grain 6's also showed strength, as did Consolidated Paper 5½'s and several other issues in the semi-speculative category.

Although markets are thin and the stabilizing influence of active bond trading is at a minimum in preparation for the Victory Loan, the general strength in discount bonds is not without significance. These issues offer possibilities of capital appreciation, and capital appreciation is not generally taxed in Canada. They also afford a high current yield, partly offsetting the lower yields available on high grade bonds.

A similar strength has been evident in the United States, where a more general list of discounted bonds is available. Defaulted rails have been an important source of strength to U. S. bond indexes, and have been extensively analyzed by investment houses and journals as one of the most promising remaining outlets for aggressive investment funds.

In both countries, the trend can hardly be labelled as a revival of speculation. A feature of recent moves is that most of them can be traced to official statements and records of improvement. The rises have as a rule followed favorable announcements, rather than discounting such events in advance. As a result, although prices in this group are normally sensitive, gains have been for the most part fairly well maintained. It is reported by bond dealers that the majority of purchases of this type of security seem for long holds, not overnight speculative turns.

* * *

### *Repatriation Changes Form*

Repatriation of direct British investments in the United States will in future likely be carried out by pledging these assets as collateral for loans from the Reconstruction Finance Corporation.

The step has been made necessary to prevent undue shrinkage in market values if the pressure of selling should become too great for ordinary markets to carry. In Canada, where the bulk of repatriation has been in obligations of the Dominion Government, direct or guaranteed, there has never been any question of the adequacy of facilities for handling the transaction. The Dominion has been a principal in these exchanges, and has financed its deals largely through the Bank of Canada. Funds for the British account have been found as readily as for Canadian account, repatriation of securities other than the Dominion's obligations having been carried on through normal investment channels as was the practice in the United States prior to the liquidation of direct investments. If repatriation reaches the limits that it has in the United States, some change in methods may become necessary, but this appears to be still far in the future.

* * *

### *Bond Index*

Daily and weekly averages of long-term bond prices remained unchanged at 101 in the week ended May 8, one and one-half points above the corresponding week a year ago. The D.B.S. index of yields was slightly lower at 95.6, against 95.8 the week before.

DOMINION OF CANADA
Long-term Bond Index

| | Weekly average May 2-8 | Preceding week Apr. 25-May 1 | Weekly average year ago |
|---|---|---|---|
| Price .... | 101 | 101 | 99.5 |
| Yield .... | 95.6 | 95.8 | 99.1 |

# More on Aberhart-Sousa Refunding Dream

## Kuhn, Loeb Experts Scrutiny of Alberta Books Feared "Danger Point"

From Our Own Correspondent

EDMONTON. — Despite Premier Aberhart's effort to bury the matter as a "piffling" affair that came to naught, popular interest persists in the weird and abortive refunding plan of 1938. Through this the Government sought to refund Alberta's debt to the tune of $158 millions.

As exposed some time ago in The Financial Post, the Social Credit Cabinet for the better part of a year was committed to a deal with a syndicate headed by J. J. Sousa, Los Angeles and Calgary promoter. The syndicate was to negotiate the buying in of existing Alberta securities, to be exchanged for new 2% bonds to be retired at intervals over a period of 45 years. Allied with the far-reaching plan was proposed establishment of a new bank in Alberta and construction of a highway to Alaska.

**Interest Revived**

Public attention in the project has recently been revived by disclosure of new and startling details of the proposal, brought to light chiefly through the efforts of Mayor Andrew Davison, Opposition M.L.A. for Calgary. Supplied to him by Mr. Sousa, who felt he had been "let down" by the Government, this information was the basis of a demand for a thorough probe of the affair at the recent session of the Legislature.

This was followed up by a radio broadcast, after the Legislature had prorogued, in which Mayor Davison outlined the scheme in considerable detail and denounced the refusal of the Government to launch an investigation. Not only had the Government spent thousands of dollars to finance promotion of the scheme, he protested, but had ignored the association with Mr. Sousa of two provincial civil servants—Dr. V. W. Wright, chairman of the Alberta Compensation Board; and Dr. C. T. Galbraith, Calgary relief medical officer. They were to share in Sousa's profits from the scheme if it went though, it was alleged.

According to Mr. Davison, Mr. Sousa and Harold B. Reed, Los Angeles banker and broker, had succeeded in interesting the well-known New York banking firm of Kuhn, Loeb & Co. in the possible refunding of Alberta's debt. This led to actual negotiations with the firm, and late in 1938 Premier Aberhart and Provincial Treasurer Solon Low went to New York to confer with officials of the banking concern. But the trip proved abortive, chiefly because of the difficulty of getting a clearance from the Dominion for the deal.

**Gross Waste Charged**

In his broadcast, Mayor Davison charged that the refunding agreement led to "a gross waste of taxpayers' money in trying to implement the agreement," and revealed the Government was ready to "sacrifice bondholders" in its anxiety to refund at a low rate. In addition, he declared:

> "Here we have a Government that railed against the payment of interest, that promised interest-free money within 18 months of assuming office, tying up this province for a period of 45 years to pay interest in an aggregate sum of nearly $100 millions."

The promoting syndicate stood to make an initial capital profit of up to $60 millions on the deal, according to Mayor Davison. The plan involved buying in existing bonds for around $90 millions at depressed market values, and exchanging them for bonds worth about $150 millions. On top of that, the syndicate stood to net around $3 millions interest annually on the new bonds.

The Davison broadcast also quoted the text of a letter, of which Mayor Davison said he had the original, from Premier Aberhart to Mr. Sousa after the Premier had conferred with Kuhn, Loeb officials in New York. Allegedly written on stationery of the Royal York Hotel in Toronto, the letter complained that not only did Kuhn, Loeb want Dominion clearance on the plan, but that "they want an expert or a bevy of experts to check over our books to see how much we can pay."

"In my opinion, this is the danger point," the letter added ominously.

Another passage in the letter said: "It must come out all right or we are sunk with all this expense."

Mayor Davison made it quite plain that he intends to keep hammering at the matter in the hope it may finally be given a thorough probe in response to an aroused public opinion.

# Ottawa Turns Down B. C. Bid for Loan Backing

Proposal that the Dominion Government guarantee a $10 millions loan of 25-year debentures of British Columbia to provide funds for repayment of $10.2 millions advances to the province has been rejected by Ottawa.

The Dominion has been asking for repayment of treasury bills owed by the provinces, and John Hart, provincial finance minister of B. C., suggested to Finance Minister Ilsley the province would be prepared to issue $10 millions of debentures to meet the indebtedness. Mr. Hart proposed the Dominion back its loan or accept the serial bonds direct.

**Reject Adjustment Request**

Mr. Ilsley replied:

"Without our guarantee, I fail to see how we can assure you that a public issue of $10 millions British Columbia 25-year bonds would be a success or how we could obtain funds for them by assigning them to our bankers."

Mr. Ilsley also rejected Mr. Hart's suggestion Ottawa make an adjustment on $24.6 millions principal amount of treasury bills held by the Dominion. This represented the provincial share of unemployment relief and Mr. Ilsley contended that under the constitution responsibility for relief rested with provincial and municipal governments. The Rowell-Sirois Commission recommended assumption of relief costs by the Dominion, but offered certain compensation in other tax fields.

The Dominion finance minister denied Mr. Hart's assertion that B. C. had paid unusually high rates of interest.

British Columbia owes the Dominion $35.1 millions.

# Tourist Trade Commences Season Rather Slowly

From Our Own Correspondent

OTTAWA. — Flow of American tourist traffic to Canada in the first quarter of 1941 show a relatively sharp falling off in visitors coming under the classification of 48 hours or less; a minor decrease in the number staying from 48 hours to 60 days; and a comparatively large numerical increase in those staying for two month or longer.

Great things are expected of the tourist traffic this year. Certain conditions militated against the flow in 1940, but in recent months strenuous efforts have been made to correct misapprehensions existing in the minds of Americans regarding travel regulations and the expectation is that the number of Americans visiting Canada this year will be considerably larger, as also will the number of U. S. dollars they leave.

The available returns, set out below, indicate there will have to be a more pronounced pickup in the second quarter if the year is to be considered successful:

Automobiles Entering Canada
January-March, 1941

| | 48 Hours or less | 48 Hours 60 days | 60 Days and over |
|---|---|---|---|
| January ..... | 117,564 | 20,337 | 1 |
| February .... | 109,870 | 21,297 | 29 |
| March ........ | 131,444 | 29,154 | 54 |

Automobiles entering the country for 48 hours or less include a large number of business visitors who ordinarily do not leave much money here. But there is no adequate explanation for the fact that in January returns in this group were off 11.9% from last year; in February, 13.2% and in March, 11.1%.

The group covering 48 hours to 60 days, is the one which makes the greatest contribution to Canada's tourist revenue. Compared with 1940 the returns this year to date show only a minor decline; a condition which makes Ottawa more cheerful over the outlook.

Unless there is a definite change for the better, there may be more outspoken criticism of the Canadian Government effort to promote tourist travel between the United States and Canada. In some quarters there is a strong feeling backed by first hand investigations, that the Government has fallen down in getting the right information into the hands of prospective visitors.

## New Building

**WAR PROJECTS**

Recent awards of major construction contracts by the Department of Munitions and Supply initiated the following projects:

Air observers school, Chatham, N.B., wood construction, $213,000, to be completed in June.

R. C. A. F. station, Sherburne, N.S., wood construction, $190,000, to be finished in June.

Air observers school, St. Johns, Que., wood construction, $280,000, to be completed in June.

New unit at Noorduyn Aviation Co. plant, St. Laurent, Que., $220,000, permanent construction, completion in August.

Extension of de Havilland Aircraft of Canada plant, Toronto, $119,000, permanent construction.

Service flying training school units, Hagersville, Ont., wood and steel construction, $749,000, completion in June.

Aircraft and engine overhaul depot, London, Ont., erection of steel, construction work and electrical services, $577,000.

Bombing and gunnery school, Mountain View, Ont., wood construction, $90,000.

Reported by Engineering & Contract Record:

**Canadian National Railways** has given contract for construction of wharf and lighters at a Canadian port, estimated to cost $3 millions.

**Robert Simpson Co.** has awarded contract for erection of $250,000 mail order and retail building in Regina.

## Bond Redemptions

| Bond Issues: | Rate | Year | Due | Price |
|---|---|---|---|---|
| Viceroy Mfg. ... | 4½% | 1952 | July 1 | 103 |
| Cons. Press. .... | 6½% | 1949 | June 1 | 103 |
| Fam. Players . | ‡3½% | 1942 | June 1 | 101 |
| Morrison Brass | ▲7½% | 1947 | July 1 | 101 |
| Victoria Realty . | ■6% | 1948 | July 2 | 102½ |
| C. P. R. (note cert.) ........ | 4½% | 1944 | June 15 | 100½ |
| Inter-C. Bak. .. | *5½% | 1948 | July 1 | 102 |
| Nat. Light & P. | 6% | 1949 | May 19 | ♦ |

Drawn by lot:
*$44,000.
‡$350,000. ▲$9,000. ■$13,500.
♦Tenders $22,800.

Stock Issues:

J. S. Mitchell .. 7% Pref. June 5 †110

†Plus accrued dividend.

## Bond Tenders

12 noon, May 15, Canada Treasury Bills—$40,000,000, dated May 16, 1941, payable Aug. 15, 1941.

## Foreign Exchange

During the week May 5 to May 12 there was no change in the quotation on the United States dollar at Toronto and Montreal which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, May 12

| | | | |
|---|---|---|---|
| Australia ... | 3.58 | N. Zealand . | 3.61 |
| India ....... | .3372 | S. Africa ... | 4.47 |
| Japan ...... | .2608 | Hong Kong . | .2722 |

# Committee Formed For Aldred Invest.

From Our Own Correspondent

MONTREAL.—Following default on April 2 in payment of interest on the 4½% debentures of Aldred Investment Corp. (Canada), a committee has been formed to represent the debenture holders. The committee will investigate company affairs and act on behalf of the holders of these debentures. Liquidation value of assets amounted to about $40 per $100 debentures, according to Gordon W. MacDougall, K.C., in a statement made to debenture holders.

The committee representing debenture holders includes:

DAKERS CAMERON, N.P., GEORGE B. FOSTER, K.C., CHARLES V. HEWARD, R. E. HALDENBY and MARC JARRY, all of Montreal.

# Ford of Canada Plans Further Expansion

Expenditures amounting to $1.5 million may be involved in further expansion of Ford Motor Co. of Canada to meet war needs, according to W. R. Campbell, president. The extension will be in the foundry, heat treat building and in additional equipment.

Application will be made for authority to amortize the capital expenditures made by the company to meet needs for military equipment over the period of the war. Rapid adaptation of the Ford plants to war production was largely made possible by a $10 millions expansion in the five years preceding the war.

# Canadians Go More Often To Moving Picture Shows

Canadian movie fans went to theatres more often in 1940 than in 1939, according to a report of the Dominion Bureau of Statistics on the motion picture industry in Canada.

Paid admissions, during the year, totalled 151 millions, compared with 138.5 millions in the previous year, a gain of 9%. The total amount paid in at the box office was $37.6 millions, $3.6 millions or 11% more in dollars than for the year 1939.

The larger attendance, however, was spread over more picture houses, there being 1,226 theatres in operation in 1940 compared with 1,186 the year before.

Halifax showed the biggest expansion in theatre attendance among Canadian centres. The nine motion picture houses there had 2.7 million admissions with $644,979 receipts, an increase of 38% in admissions

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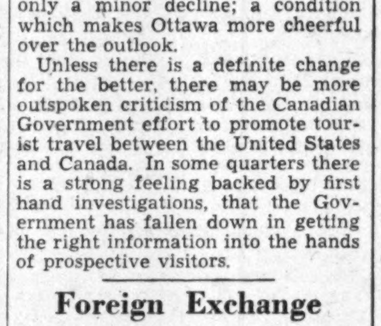
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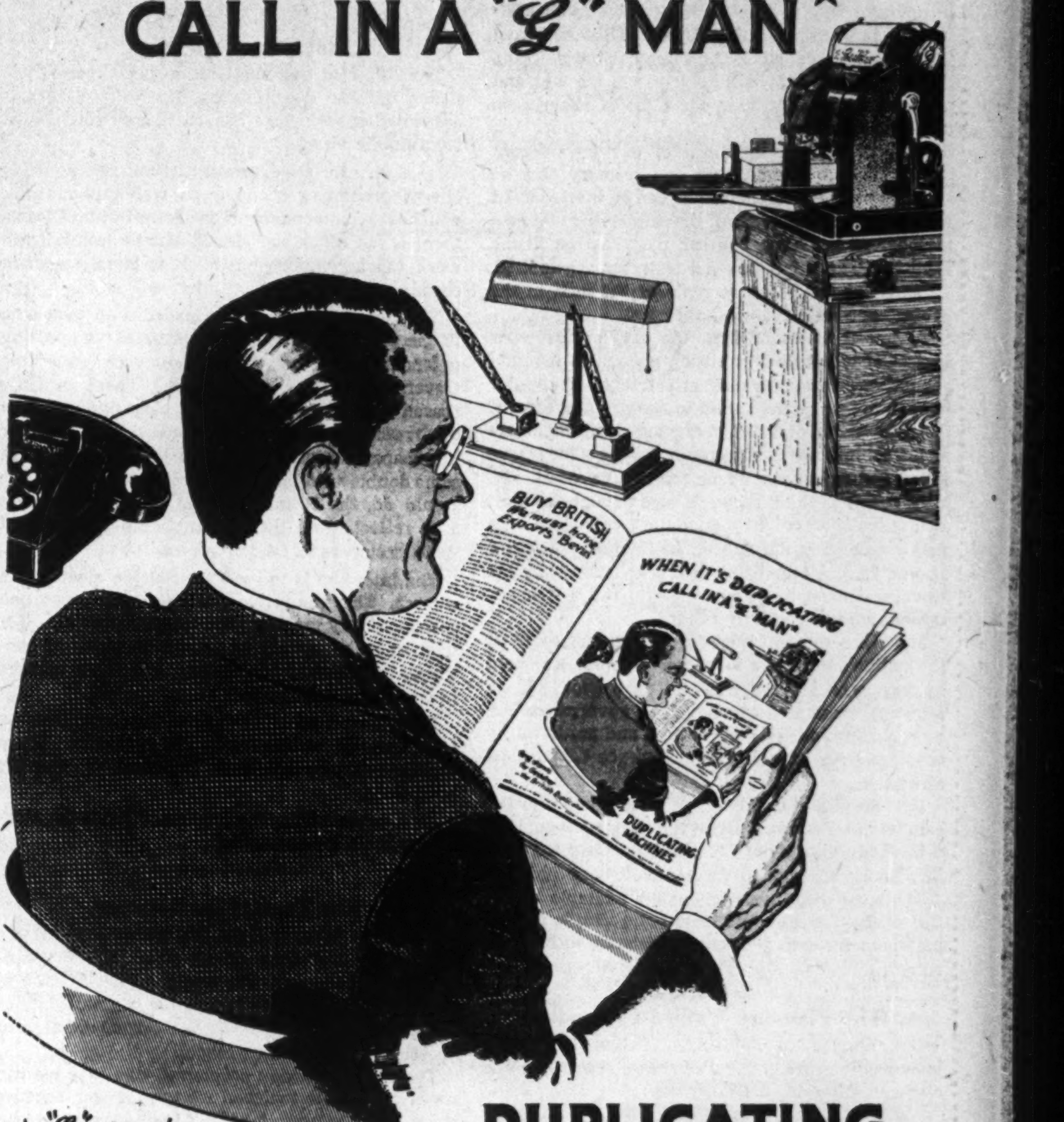

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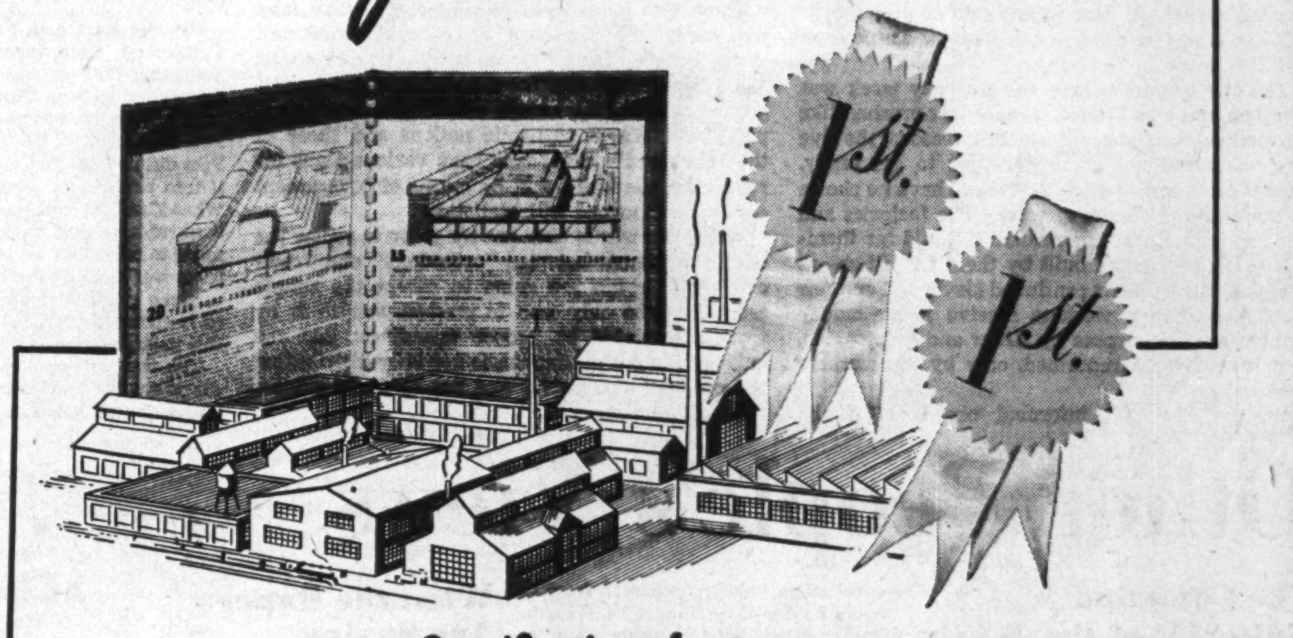

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A specification and bond for inclines over 2″ — and up to — 6″ to 1′0″ using Barrett Steep Roofing pitch and felt applied in the membrane manner, with gravel wearing surface and all the advantages of this famous type built-up roof.

**2. 15 Year Barrett "S-I-S*" Type Roof**
Specially developed for roofs with inclines exceeding 3″ to 1′0″ using Barrett S-I-S* (seventeen-inch selvage) roofing with S-I-S* cold cement on roofing asphalt. Has attractively coloured protective mineral surfacing together with other advantages of sound built-up roof construction.

The addition of these two specifications rounds [illegible] line of bonded Barrett Roofs. It is now possible to obtain [illegible] or 20 year bonds for gravel surfaced built-up roofs over both [illegible] and steep inclines, or combinations of both, in addition to a 10 or 15 year bond on the coloured, mineral surfaced, S-I-S* type roof.

Technical information, literature and specifications will be supplied on request. Write our nearest office for copy of the new Barrett Architects and Engineers Reference Manual, including these new specifications.

*Patented 1937

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# The Editorial Page . .

## Cabinet is Not Strong Enough

In leading his people through the present crisis, President Roosevelt is immeasurably strengthened by the fact that Col. Knox and Col. Stimson are in his cabinet. Both men happen to be Republicans. Col. Knox, in particular, was an arch-enemy of the president and of the more fantastic phases of the New Deal. In 1938 he wrote a little book "We Planned It That Way" that was a classic excoriation of the president. But when the world crisis came, Col. Knox realized that there was only one important issue: to defeat Hitlerism and save the democratic way of life. President Roosevelt realized the same thing. Today President Roosevelt and his one-time rival sit in the same cabinet working out the policies that will help to win the war and preserve for both of them the right to disagree on domestic issues.

Here in Canada the head of our government thinks it is important that one primary test be passed by any person before he can be invited to sit in the nation's war cabinet: the candidate must be a member of the same political party as the Prime Minister. There may be other tests that are applied, although as one looks at some of the men in the cabinet one wonders what they are.

To put it at its mildest, the cabinet that now leads Canada is neither strong enough to marshal the nation's resources most effectively nor popular enough to inspire the nation to its very best efforts. Without naming names, there are some members of the cabinet who are incredibly weak. They have failed and almost the whole country knows it. Mr. King seems to think they are good enough for war.

A union government that would swallow up both major parties is not needed in Canada. In fact a strong, critical opposition is important to spur the Government on to its best efforts. But a stronger cabinet is most certainly needed.

Mr. King should enlist for his cabinet more of the nation's best men to take over posts now held by men who are too weak to do a good job. In selecting these men he should be governed solely by considerations of their ability, and not at all by considerations of political experience or political affiliation.

Col. Knox and Col. Stimson were taken into the cabinet by President Roosevelt not because they were Republicans but because they were the men Mr. Roosevelt wanted for the jobs they hold.

Mr. King could well follow the example of Mr. Roosevelt. There should be but one aim: to get the best man for each job, not necessarily to have an equal number of Liberals or Conservatives.

## The Five-day Week in Canada

Col. Ralston, as Minister of National Defense, knows how acute is the war situation at this dark moment. He said, the other day:

> "I think our most dangerous enemy on this side of the Atlantic is the idea that we have plenty of time."

Col. Ralston knows that we have not a moment to waste if we are to overtake Hitler's mighty fighting strength.

There is a great deal that Col. Ralston could do about it. And not the least would be to get faster action in building the war plants that are going up under the direction of his associate, the Minister of Munitions and Supply.

In and around Toronto, the five-day week still is in force in some of the building trades. In some cases, where vital war plants are being "rushed" to completion, workers will put in an extra day if they are given "double time" for the extra day. In still other cases, unions refuse to permit more than five days work per man at any rate of wages.

There is no five day week in Britain. There is no five day week in Germany.

The one country where the five day week was most general was France. France was crushed like a rotted vegetable because, among reasons, the five day week had not given her time to get ready. Now the workers of occupied France have no choice in the matter of hours of work. The factories and guns and airplanes they refused to build for themselves are now being built by them for Hitler—as chains to insure their continued slavery. For their labor, the French workers receive paper money printed for the purpose by Hitler and redeemable, if it is ever to be redeemed, only by the workers themselves.

One of the best informed observers of the European scene told The Financial Post in New York the other day. "It is a dangerous illusion that time is on our side. Hitler is actually gaining on us in production of war materials because we on this side of the Atlantic have not yet begun to produce more than a fraction of what we could produce. If we do not hold Hitler with the equipment we can build in 1941 we may not have a chance to defeat him with the equipment we hope to build in 1942."

The five day week is the most stupid folly in Canada's defense building.

## Not Very Promising

The House of Commons has a special committee sitting on war expenditures. The committee was appointed some weeks ago but has already faded from public view.

Its chairman has expressed its purpose as being one of promoting economy in war expenditures, which is a commendable objective. Around Ottawa there is not much confidence that the committee's work can accomplish much. It is handicapped in certain ways.

The committee is heavily loaded with men who in the past have set themselves up as uninquiring defenders of certain not too happy phases of the Government's war programme. There is little reason to expect the kind of close inquiry that might achieve far-reaching results. When another newspaper suggested, some weeks ago, that it had some doubts as to the kind of probing the committee would do, the Prime Minister took the comment as a reflection on the House. But the attitude of these members is on the record

The intention is to hold most of the meetings in camera. This would obviously be necessary when secret military matters were under discussion. But why so much secrecy in respect to terms of contracts, selection of contractors, and other matters in which the public has a keen interest?

Up to now most of the time of the committee has been spent in routine matters of procedure. There is little evidence that much important probing has been done.

As a safeguard for the taxpayers' funds the committee is not too promising.

## The Truth Lies Between

If we are going to fight this war to a victorious conclusion, and then do an able job of reconstruction of the post-war world, we shall have to keep our minds clear of economic dogma, whether the dogma of the past or the dogma of current apostles of the panacea school.

The super-orthodox economist who says we can never repair the material ravages of war because there is not enough "money" in the world to pay the bills is just as wrong as the man who thinks we can do it easily simply by printing the "money." Both have their attention focused on a symbol of wealth or work rather than on the resources and labor themselves.

A clear-sighted approach to the problems of the post-war world is provided by Dr. J. W. Beyen, former president of the Bank for International Settlements in an article in La France Libre, translated by the London Times. Dr. Beyen argues:

> 1. We can and shall rebuild the war by production. The financial problem is secondary and technical.
> 2. "Economic planning" will not get us production. So far no adequate substitute has been found for the profit motive as an incentive to production.

Those two ideas seem so simple that they may too easily be dismissed as oversimplifications. Actually they are profoundly important ideas; the ideas of that significant but unpopular middle ground between the groups who cling to outmoded, pre-World War I economic notions and those of the "advanced" school who have various plans for rebuilding the war world by means of government departments armed with statistics.

When this war is over are we going to renew the sterile argument between "orthodoxy" and "radicalism"? Or are we going to accept the simple truth that the only way to produce wealth is by work, stimulated by proper incentives; that the only way to put production to use is by distributing the products themselves and not by facile devices for redistributing money.

## Editorials in Brief

> "In this country the nearly simultaneous outbreak of labor troubles in so many industrial centres seems to betray the hand of the pro-German agitator against our shipments of arms to the Allies."

**Those words** might have been written of the United States situation today. Actually they were printed in the Literary Digest, July 31, 1915.

* * *

**Destruction** of the history-soaked Commons chamber at Westminster is tragic. Yet it is to be hoped that it will not be restored, stick by stick and bench by bench, on the old lines. Britain needs a larger parliamentary hall, with a seat for each member and room for visitors. On great occasions, M. P.'s have been lucky if they could find peeking room in the Commons chamber. Even the press gallery, listening post for the world, provided no room to squeeze in an overseas editor if the Prime Minister was to speak.

* * *

> "A Dutchman was recently expatiating on the folly of giving women the vote. He declared that in Holland there was greater efficiency among the female sex where they did not possess that doubtful privilege. He pointed to the fact that the Dutch woman sits with one foot on the spinning wheel or churn and with the other she rocks the cradle containing twins; with her hands she knits socks for her husband, while on her knee rests a book from which she is improving her mind by study. And all the while she sits on a cheese, pressing it for market."

**Sounds** like a description of Mr. Howe buying munitions in Canada, selling them to the U. S., investigating T. C. A. crashes, and answering M. P.'s questions about CBC.

* * *

**Some time ago** various British newspapers went off the deep end with most inaccurate and misleading articles about the extent of the financial aid being given by Canada to the senior country of the Empire. Apparently Canada House in London has been at pains to place the facts before British editors. Numerous clippings have come to hand showing how papers like The Economist, The Financial News, etc., put the correct facts on the record following their misrepresentation.

The black eye bestowed by Britain on Canada's war effort, quite innocently, no doubt, has now been whitened.

* * *

**Here is a news item** from a British newspaper:

> "In Walsall Police Court, on March 28, The Walsall District Iron Co., Ltd., Birchills Street., Walsall, claimed £5 for loss of output from William Dutton, an employee, who was alleged to have refused to work and to have kept a mill standing for more than seven hours.
>
> "Mr. A. V. Haden, who appeared on behalf of the company, explained that when Dutton went to work on March 13 at two o'clock he refused to work, became abusive and then went home. Another man had to be put to work on the mill, but because he had recently been ill he could not carry on.
>
> "Dutton said he was not fit to do the work and that he had a doctor's note to this effect. He admitted that he got this the day following.
>
> "The magistrates allowed the claim in full with 8s. 6d. costs."

* * *

**The Vancouver Sun** does not believe that Ottawa has yet pared its own living standard as much as it has asked of the people generally. It says:

> "There must be items, small in themselves, but scattered all through the Government's controllable expenditures which could be eliminated or reduced. Together they should add up to a respectable total and every dollar saved would be a dollar more for the war.
>
> "To recast the present estimates would not be a pleasant job. It would cause inconvenience and, in some cases, hardship. But this is war. Mr. Ilsley asks us all to pare down our living standard, to give up luxuries. He is asking for investment of savings that have meant sweat and self-denial to many poor people. He is bound to follow this theory in his own administration and we doubt that he has done it fully yet."

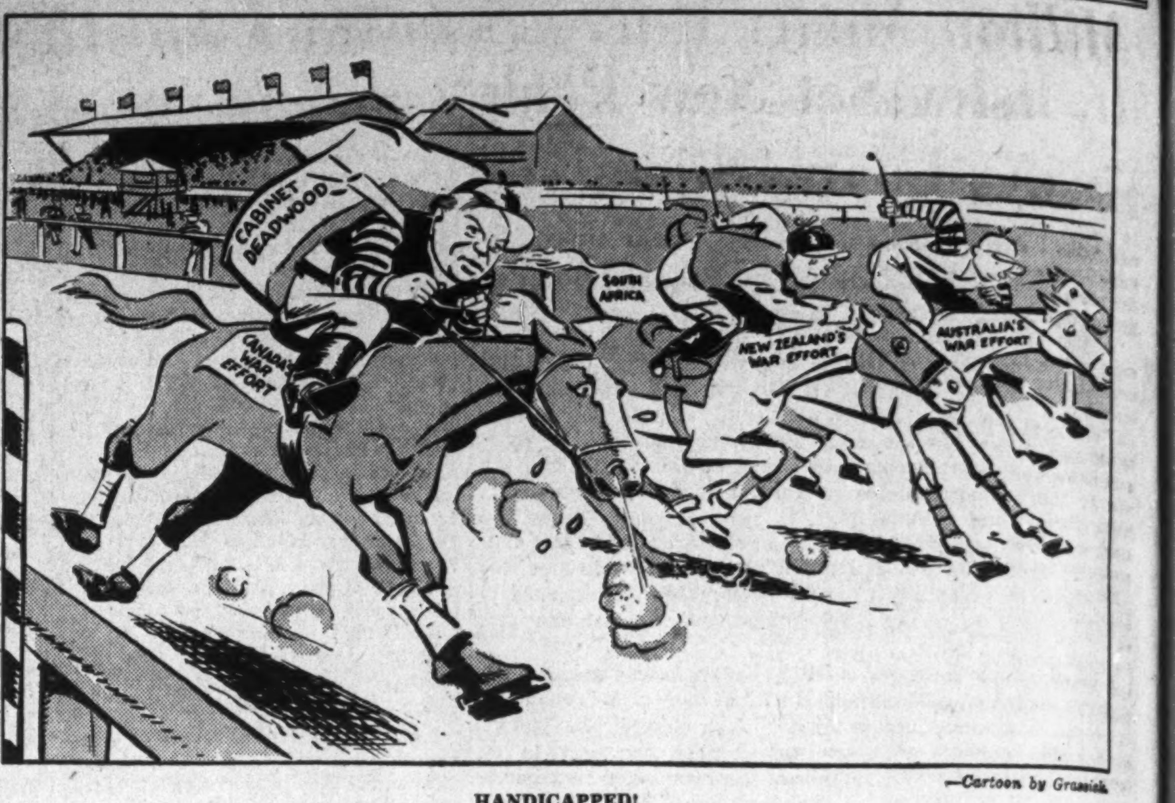
* * *

**Maxime Raymond,** the Lindbergh of the Canadian Parliament, cited various authorities to "prove" his point that the war was going to ruin Canada. One of the quotations was from The Financial Post.

Raymond left out the most important part of The Post's editorial of Oct. 1, 1938, which he quoted. The Post did not say that war would ruin Canada or drive it into bankruptcy as Mr. Raymond makes it appear. What The Post said was that war would drive us into bankruptcy unless "a tremendous national effort were made to raise taxation to the point where war expenditures were financed out of current revenue."

Such a tremendous national effort is being made, as is shown by Mr. Ilsley's plan to raise 73 to 79% of this year's war costs out of taxation.

The war will bankrupt us only (1) if we lose it or (2) if we try to pay the major share of the bills by borrowing or inflation.



—Cartoon by Grassick

HANDICAPPED!

# Post-Scripts . . . .

## Traveller Returns

E. J. Tarr, K.C., just appointed director of the Bank of Canada, brings to his new position a first-hand knowledge of many distant places. Since he first left his native Ottawa on a harvesters excursion to Manitoba back in 1902, Mr. Tarr developed an appetite for travel. To satisfy it he has visited Palestine, Japan, China, and Australia as well as closer to home and more orthodox Britain, France and the United States.

E. J. TARR

On these trips he has acquired much material for Canadian Institute of International Affairs of which he is a past president. Since the war Mr. Tarr has been forced to curb this curiosity for foreign lands and has put his surplus energies into the war savings drive—he is chairman of the Manitoba committee—and other extras including chairmanship of the Manitoba civil service superannuation board and trustee of the Winnipeg Foundation. And this bring us to his regular job, which is president of the Monarch Life Assurance Co. of Winnipeg.

When interviewed last Saturday by J. C. Royle of the Winnipeg Tribune, Mr. Tarr diplomatically diverted conversation from his new bank appointment by telling of the time he was robbed on the Jericho road in Palestine. An R.A.F. lorry driver turned out to be his particular Good Samaritan.

Mr. Tarr and his wife were motoring to Jericho after attending a world conference on Christian missions in Jerusalem. Their car broke down on a steep grade. The chauffeur, swinging suddenly to one side to stop the car from backing all the way down again, threw Mrs. Tarr out on the road

Like rabbits pulled out of a magician's hat Arabs appeared out of the open desert and gathered around. It was nice of them, but Mr. Tarr would have been happier if they hadn't come; for Mrs. Tarr's purse containing their letters of credit and some of their money "just disappeared."

It was some hours before Mr. Tarr, who is slim and wiry and looks as if he would be fast on his feet, stopped a passing R.A.F. lorry by running after it, climbing on behind and crawling up to the cab to explain everything to the driver.

## Economy

Before returning to his post as London correspondent for Colliers, Quentin Reynolds, author of "The Wounded Don't Cry," was received by President Roosevent in his office at the White House. While he was there the President put through a trans-Atlantic call to another eminent statesman who is also an author, Winston Churchill ("Blood, Sweat, & Tears"). According to the Saturday Review of Literature, Mr. Reynolds was slightly startled when, after a conversation, he heard the President say to the Prime Minister, "I'll have to hang up now. My three minutes are up."

* * *

## Willing to Oblige

A pioneering and adventurous spirit is the leading characteristic of Paul Alexander McFarlane, recently elected president of the Canadian Club of Montreal. He is willing to try any reasonable experiment that will add to his quota of knowledge. An example of this is an anecdote told by one of his friends regarding an experiment in hypnotism which he witnessed not so long ago. A small group was discussing psychic factors in medicine and, to demonstrate a point, called for volunteers to submit to hypnotism. It was Paul McFarlane who came forward and was hypnotized.

P. A. McFARLANE

Paul McFarlane in business life is vice-president in charge of operations for Bell Telephone Co. of Canada. All his business career has been spent with this company which he joined in 1904.

Interest in the telephone business is deep seated in Mr. McFarlane. His father, L. B. McFarlane, was in the telegraph business in Canada when the late C. F. Sise, father of the present president of the company, came to this country to put together the beginnings of the telephone system which now comprises the Bell Telephone Co. of Canada. L. B. McFarlane became associated with Mr. Sise in the telephone business at a time when the telephone was looked on as a feeder for the telegraph lines.

Paul McFarlane, thus comes naturally by his interest in telephones. In 1911 he was district superintendent at Toronto. He became commercial engineer in 1916, general commercial superintendent in 1920, general commercial manager in 1923 and general manager in 1925. Five years later he became vice-president in charge of operations and a director in Jan., 1939. He was one of the main projectors of the Trans-Canada Telephone system.

In his present position, Mr. McFarlane's main job is to appraise the trend of industrial and population growth and to keep Bell service and construction up to requirements. He is one of the three chief executives with the company, reporting to C. F. Sise, president and chairman, in which his powers of imagination, decisive action and broad interest get full play.

Paul McFarlane was born in Montreal in 1886 and educated in private and high schools in that city. He is married; has three children and resides in Montreal. Last year, in addition to being active with the Canadian Club, he was second vice-president of the Montreal Board of Trade, following a year as treasurer in 1939.

* * *

## Science Loses to Business

Orvald Arthur Gratias, young general manager of Canadian Spool Cotton Co., Montreal, forsook advanced scientific pursuits for a successful business career, Gratias is a Ph.D. from Oxford in the field of radio-activity, an abstruse branch of higher physics.

O. A. GRATIAS

It all happened because of a Rhodes Scholarship which Gratias won from Saskatchewan in 1930.

He was born and grew up on a farm near Kinistino, Sask. At the University of Saskatchewan he not only had a fine academic record in Physics (B.A. and M.A.), but he was an outstanding intercollegiate athlete.

His Rhodes Scholarship took him to Brasenose College, Oxford, which is noted for its athletes. At Oxford, Gratias continued his athletic successes winning half-blues at lacrosse and ice hockey. At the same time he continued his advanced research work in physics. He did work on things called alpha-particles and constructed scientific apparatus which allowed you to hear these particles popping from radioactive substances.

Then the turn in his career came. All Rhodes Scholars in England are given opportunities to meet and spend vacations with English families. One of these families with whom Gratias stayed got interested in the research work he was doing. But he in turn learned about the opportunities in the business world from them. He got interested in this new world with its wider opportunities.

He decided to give up his secluded scientific career and go into business. But he did not do it haphazardly. His friends told him of a school in London where young men could go for general training in business matters. After a certain period interested firms would select from this school prospects who had qualifications which interested them.

Gratias went to the Spool Cotton Co. He had to start at the bottom and learn all about the factory end of the thread business in England and Scotland. He worked in mills. Then he studied the administrative end of the business. His rise was rapid and when the company sought a new Canadian sales manager Gratias was sent back to his native country at the Canadian head office in Montreal.

* * *

## Sayings of the Week

"Experts are only mechanics away from home."—*William S. Knudsen.*

* * *

"I have complete faith in Stalin's duplicity against Japan."—*Lin Yutang.*

* * *

"I could not see a real, fruitful peace without America right in it."—*General Jan C. Smuts.*

* * *

"Most everybody wants to prevent inflation, but no one agrees on what inflation is."—*Robert A. Taft.*

* * *

"'United we stand, divided we fall,' has a special significance to each American today."—*James A. Farley.*

* * *

"This is a war of machinery and not men and will be won by that country which can turn out the most machinery and guns."—*Hon. Angus L. Macdonald.*

* * *

"Economically we have advanced far along the road to socialism, economic totalitarianism, or whatever ism we may finally term our particular form of state control." — *H. R. Jackman, M.P. for Rosedale.*

* * *

"England has always singled herself out in the world by her honesty and fair play, but especially by her stand in the world today." — *Premier Godbout, of Quebec.*

* * *

"The people of the United States are translating their sympathy and understanding in effective and material aid in everything that we can give for the cause of England." — *Mayor Fiorello La Guardia.*

* * *

"The people of England are running this war as they never have before, and under the leadership of Winston Churchill they are making an excellent job of it."—*Col. George Nasmith, former Overseas Commissioner of the Canadian Red Cross.*

* * *

"We live in a world where goodwill has almost ceased to exist outside the North American Continent. It is a product we cannot export at present, no matter how great our surplus."—*J. M. Macdonnell, president National Trust Co., before the Kiwanis Club at Chicago.*

# Other People's Views . . . . . .

## The Canadian Editorial of the Week

### It Happened in France

Hamilton Spectator

The Government has stated that the limits of Canada's war effort are physical and psychological, not financial. The physical limits lie in the extent, strength and endurance of the physical efforts of the Canadian people and in the adequacy of the country's material resources; the psychological limits are the limits of the mental and moral capacity of Canadians to bear burdens and make sacrifices. Any act which tends to narrow these limits and hamper this country's striking power in her life-and-death struggle is an act of sabotage, subversive and treasonable.

Last week the employees of a large Canadian factory, answering the call of their employers for greater production, patriotically increased their working time from forty-eight hours to sixty hours a week. On the same day, there were circulated through this plant by a May Day committee pamphlets calling on workers to limit the working day to eight hours and join a militant union. This pamphlet bore the picture of Mrs. Dorise W. Neilsen, M.P., who, as chief speaker at a rally in Massey Hall on May 1, blamed the Government spending so much money on the war instead of on social services.

There is a rising tide of dissatisfaction with the way the Government is handling the labor situation, and this dissatisfaction, which is non-partisan and widespread, may have serious repercussions upon other vitally important government activities such as the drive for enlistment for voluntary service overseas and the forthcoming war loan.

Here in Hamilton we have seen the control of an industry removed from its owners by the Government because the management failed to comply with the rulings of a Government conciliation board respecting the re-employment of a discharged workman, while in Montreal nothing has happened to labor leaders who have encouraged workers in a steel mill not to abide by the same sort of government ruling in respect to wages.

On the one hand, the Minister of Finance is calling upon the people to keep down the cost of living and expand the war effort by working hard, saving money and lending it to the Government. This is constructive statesmanship. On the other hand, we find the Ministry of Labor tolerating suspensions of work which impair the war effort and increase the cost of living by creating a shortage of commodities.

We call upon our soldiers, sailors, and airmen to toil and sweat and fight and die, if necessary, without any time limit on their services or any argument about pay, but we coddle and conciliate Quislings on the home front who flout the law, stir up strikes, sabotage the war effort and attempt to destroy the morale of this country. It all happened according to schedule in France and nine other European countries, and there are plenty of enemy agents striving at this very moment to make it happen here. If North American aid to Britain could be paralyzed by strikes and sabotage, Britain might be isolated and beaten.

* * *

## Stop Me If . . . .

Bulletin in Scotch church: "Those in the habit of putting buttons instead of coins in the collection plate will please put in their own buttons and not buttons from the cushions on the pews."

## What the Papers Are Saying

### Railway Problem Political

Toronto Telegram

War profiteering is war profiteering whether practised by capital or labor. And it is no less reprehensible in one case than in the other.

Railway employees, many thousands of whom have been superfluous to the railway needs of Canada, have been carried through the depression at fair wages because the politicians of Canada have been unwilling to antagonize blocks of votes by putting the railways of the country on a basis in which the mileage operated has some relation to the business to be done. These employees have been carried at the expense of deficits which have run into many millions of dollars in the case of the nationally owned railway, and at the expense of the shareholders in the case of the privately owned railway.

The railway employees are receiving a basic wage fixed by agreement based on conditions prevailing in the boom days of 1926-29. The cost-of-living index, according to the last figures provided by the Government, was last September 12.6% below the average level of 1929. Yet the employees are now asking a wartime cost-of-living bonus that would add to the country's burden to the extent of approximately $9,000,000 a year.

Instead of listening to the demand from the personnel for more money—a demand which does not come from the soldier, sailor or airman—the ordinarily prudent thing to do at this highly critical time would be to reduce the railway to the least common denominator at which they would give adequate operation, and release the surplus personnel for war work where their labor will count.

## As Others See Us

### Constructive Criticism

Carleton Place Canadian

While The Financial Post came out quite strongly in criticism of the Government's early war efforts when criticism was very much needed to spur the ministers and departmental heads to more activity, this same Toronto paper has been giving "all out" support to the various officials who measure up to their responsibilities. This is as it should be. Constructive criticism is at times a much needed tonic.

* * *

### Patriots at a Price

New Westminster British Columbian

One part of the King Government's duty left conspicuously undone, has to do with the walkouts, in several spots and openly challenging attention of any remnant of authority. The Financial Post makes this challenge in the face of an alleged illegal walkout of Oshawa woollen mill workers. Backed by local unions at Oshawa and elsewhere, the strikers had for 10 days persisted in refusal to return to work, despite warnings by Department of Labor officials of the statutory penalties involved.

* * *

### Tourist Menus

Huntsville Forester

"Make Canadian Menus Distinctive" urges The Financial Post of Toronto, in pointing out the most effective means of attracting and holding tourists. The Post emphasizes the value of "giving the American tourist what he is looking for on a holiday—something different."

This advice might be taken profitably by every centre where tourist trade is capable of development. We get too easily in a rut. New ideas, and new attractions should greet the visitor every year of his visit.

Within the reach of every tourist community there are opportunities to "do something different" to attract tourist interest. These things are the more easily accomplished if the spirit of co-operation and local pride, are well developed. It is amazing what can be done, when there is a united will to do it.

* * *

### Willing to Pay

Glace Bay (N.S.) Gazette

While The Financial Post is critical of the Government's war effort as a whole, it warmly commends Mr. Ilsley's financial statement of last week. "There was never," it says, "a more courageous public document issued in Canada than this week's war budget of the Minister of Finance. It met the facts head on."

The Prime Minister, it adds, might consider extending the principle to the larger issue of the administration of Canada's war effort as a whole. Possibly the Prime Minister could do a good deal more if he knew where the money was coming from. But in any case The Financial Post is doubtless right when it says that Canadians will pay any price to win. "For victory Mr. Ilsley's taxes and loans are not too high a cost."

Perhaps the most encouraging feature of the situation is the readiness of the people to pay the price for victory whatever it may cost. What they insist on is that every dollar counts. In such a vast and complicated financial operation, human nature being what it is, it would be too much to expect that misuse of funds and some carelessness and extravagance here and there should not occur. The finance ministry has to depend on a thousand agents to handle public money. But on the whole there is every reason to believe that all reasonable effort is made to keep the accounts straight.

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

FLOYD S. CHALMERS, Editor
DOUGLAS M. GOWDY, Business Manager.

Published by
The MacLean Publishing Co., Limited
481 University Avenue, Toronto 2

JOHN BAYNE MACLEAN, Founder and Chairman.
HORACE T. HUNTER, President.
H. VICTOR TYRRELL, Vice-President and Managing Director.

Subscription Terms: Single copies, 10 cents. Yearly, in Canada, United States, Mexico and British Empire, $5; all other countries, $6.
Advertising Rates: Single insertion $4.20 per inch. Contract terms upon request.
Montreal: Dominion Square Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor.
London, England: Sun of Canada Bldg., 2, 3 and 4 Cockspur St., S.W.1.

# *Million Meals Makes Bomber Load*

## Dehydrated Food Fills Many Wartime Needs

Well over 90% of average Canadian fruits and vegetables are water. Every schoolboy knows that. What he doesn't know is that science has now found a way to eliminate that surplus water with practically no damage to food or vitamin value. Dehydration is the answer.

One single large bomber can now carry in one load almost a million meals of these dehydrated foods. This is significant news in this war where the Nazi blockade threatens to starve beleaguered Britain, where troops must be kept on guard in frigid Iceland or the blistering deserts of North Africa where every inch of space is needed on crowded submarine or destroyer.

It is on such foods that Germany's famed panzer divisions have depended. Packed into less than a tenth of the space occupied by fresh fruits and vegetables and practically imperishable, old commissariat troubles vanish and long lines of communications are no longer the vulnerable factor they were in the first Great War.

### Age Old Process

Four years ago Gordon Beardmore of Toronto established a dehydration plant at Oakville. The commercial venture followed months of experiments in his own basement at home. There was no difficulty in the ordinary drying of fruits and vegetables. This sort of food preserving had been carried on for centuries. Raisins and prunes, which are merely sun dried grapes and plums are common enough products and so a decade or so ago were dried or evaporated apples.

The latter, however, as well as the dried vegetables of the first Great War were not always palatable, and vitamins and other food value were sometimes permanently lost. Isolated lumber camps and the poorer boarding houses made up the chief peacetime markets. The reputation of this food was not high.

Gordon Beardmore decided that this reputation was not deserved. With greater care in original selection, more scientific dehydrating and packing, he was convinced that a permanent and high-class market for the product could be secured.

### War Brings New Demand

The war with its incessant demand for concentrated foods has created a new opportunity for this type of food. There are only three dehydration plants in Canada yet, but in the United States scores are operating through the fruit and vegetable belts.

Eventually Beardmore and other dehydration operators expect that every conceivable bulky food product will be successfully dehydrated, including meats and fish. So far, however, this development is largely confined to fruits, vegetables and soup stocks and, of course, in other factories, to milk.

Mr. Beardmore does not hold any rosy dreams of solving Canada's agricultural problem through dehydration. He has no visions of turning half of our western wheat area into a market garden. But what he does claim is that through proper dehydration, surplus fruits and vegetables can be taken off the market during period of glutted prices, made practically imperishable and sold to distant markets where fresh supplies are unobtainable or held locally for the out-of-season trade.

"We cannot compete with fresh fruits and vegetables," he said when The Financial Post visited his plant this week, "but we can compete with imported fresh supplies and with other types of preserved foods used in military, mining and lumber camps, summer cottages and similar places."

Dehydration is a simple process. The fruit and vegetables are brought to the plant as quickly as possible so that vitamins are not lost. There they are washed, peeled, pitted sliced etc., as the case may be and loaded on shallow screens. Racks of these are then moved into a drying chamber where carefully controlled heat reduces moisture about 90%. Sizes shrink in the same proportion. After dehydration the product is immediately packed in air-tight tins or drums. Major technical difficulties that must be overcome are excessive hardening of the outer skin and killing of vitamins.

Excessive hardening will prevent proper and even filling out again when water is restored to the product before cooking. The most valuable vitamins will not withstand a temperature of over 140 deg.

### Compare With Fresh Product

Mr. Beardmore is so confident of the success of his special process that he claims many of his fruits and vegetables when properly prepared and cooked cannot be distinguished from the imported fresh product. And in addition, he says, the dehydrated product will contain within 5% of the original C vitamin content in contrast to almost complete loss in fresh fruit or vegetables stored more than a few days.

In addition to the dehydration apparatus the Beardmore plant is filled with some expensive and very ingenious special machinery. One machine, for instance, burns the skin off potatoes so lightly that the important underlayer, often lost in ordinary peeling, is preserved. Other apparatus will pit fruit, slice it, seal cans and do other jobs that save labor and keep food uncontaminated.

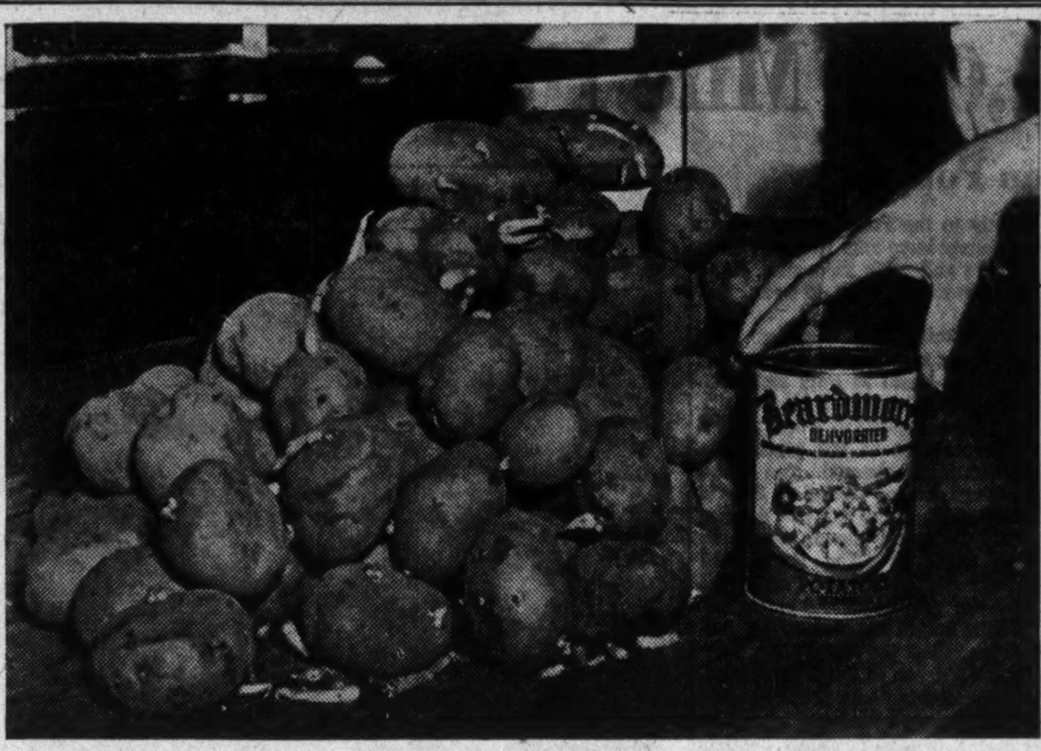
Capacity of this plant is about 120 tons of fresh product a day. In potatoes this would be the equivalent of 18 acres of crop which after dehydration would be reduced in weight to less than 20 tons.

### Amazing Concentration

To the average person the concentration through dehydration is amazing. One hundred pounds of fresh apples go into the factory at one end and after processing are reduced in weight to eight pounds and in bulk to a four gallon tin. And apples, it should be remembered are the bulkiest of all dried fruit to handle. It is impossible in packing to eliminate all the space between the dried pieces. In beans, onions or carrots the same pack would go in much smaller tins. Half an ounce of the dried apples is sufficient for one serving of apple sauce or for the filling in one individual piece of pie.

Cabbages are reduced to one twentieth of their fresh weight and cauliflower the same. One can easily hold in the palm of the hand sufficient dehydrated onion for 12 individual servings. An ounce and a third tin of vegetable soup, which also contains a meat stock capsule, will, after four hours soaking and 15 minutes cooking, produce four full helpings.

It is in this concentration, of course, that dehydration assumes its chief wartime value. Surplus water is extracted at the producing end added again when the food reaches its destination and is wanted for the pot. One boat loaded with dehydrated food is equal to 10 boats loaded with the fresh product, and in addition there is no expensive refrigeration required either in transit or after arrival. This dried food, of course, is practically indestructible. Stored in tins or big steel drums it must only be protected from rain. Frost or ordinary heat will not affect it. The life of the vitamins stored in it is estimated at at least 18 months and in some lines up to three years.



There is one third of a 6-qt. basket of potatoes compressed into the little 8-oz. can on the right, or eight full-size individual helpings. After soaking in ordinary water the 90% moisture removed by dehydration will be restored. War with its emphasis on shipping is opening a huge market for these Canadian concentrated fruits and vegetables.

# The Week in Business

**Current business** continues to gain with D.B.S. index of business activity for week ended May 3, 5% above corresponding week last year.

**Railway carloadings** for first week of May, almost 20% above 1940. Total for year to date up 15.7%.

**Railway gross** traffic earnings continue higher than in previous year, total for 1941 to May 7, 25.8% higher for C.N.R., and up 30.1% for C.P.R.

**Livestock sales** show decline in cattle with increase in hogs in April compared with year ago. Total cattle sales for four months up 3.4% with hog sales up 35%.

**Shoe production** up 12% in April over 1940. Cumulative for first quarter slightly higher.

**Raw rubber** imports for March and first quarter substantially above last year.

**Sugar grindings** in four weeks ended April 10 lower than in 1940. Total for year to date up 5.2%.

**Trend of business** shown by The Financial Post Business Index and following key factors, new items for the week being marked thus■.

| TREND OF BUSINESS— | May 3 | Apr. 26 | Apr. 19 | Apr. 12 | May 4/40 |
|---|---|---|---|---|---|
| Weekly index of business, D.B.S. | 111.4 | 111.3 | 111.2 | 111.0 | 105.5 |
| Commodity prices index no. .... | 86.7 | 86.4 | 86.5 | 86.5 | 83.0 |
| | Mar. | Feb. | Jan. | Dec. | Year Ago |
| The Financial Post business index | *150.7 | 152.5 | 154.6 | 152.9 | 132.9 |
| Retail sales index no. .......... | 129.3 | 130.8 | 124.6 | 130.9 | 112.3 |
| Dept. stores sales index no. .... | 124.6 | 125.4 | 123.2 | 132.2 | 105.8 |
| Wholesale sales index no. ...... | 124.3 | 110.5 | 106.2 | 125.0 | 104.1 |
| Country store (% change pr. yr.) | +5.5 | +4.4 | +2.4 | +3.8 | +8.8 |
| EMPLOYMENT INDEX Nos., D.B.S. | Mar. 1 | Feb. 1 | Jan. 1 | Dec. 1 | Year Ago |
| All industries .................. | 135.3 | 135.2 | 134.2 | 139.1 | 113.5 |
| Manufacturing .................. | 150.8 | 147.4 | 142.5 | 144.7 | 122.6 |
| Living costs weekly budget .... | $18.16 | $18.13 | $18.26 | $18.22 | $17.75 |
| | | | Jan. 1 to date | | % |
| RAILWAYS | 1941 | 1940 | 1941 | 1940 | Change |
| ■Carloadings (week May 7) | 61,263 | 51,257 | 992,330 | 857,554 | +15.7 |
| ■C.N.R. gross (week May 7) $ | 5,754,296 | 4,568,748 | 95,101,662 | 75,609,027 | +25.8 |
| ■C.P.R. gross (week May 7) $ | 4,107,000 | 3,140,000 | 66,174,000 | 50,822,000 | +30.1 |
| C.N.R. net revenue (Mar.) $ | 4,932,055 | 2,002,977 | 10,691,565 | 5,437,961 | +96.6 |
| C.P.R. net revenue (Mar.) $ | 3,246,075 | 1,501,561 | 8,520,406 | 5,302,488 | +60.0 |
| IRON AND STEEL—(March)— | | | | | |
| Pig iron production (tons) | 102,038 | 91,772 | 296,288 | 283,507 | +4.5 |
| Steel ingots and castings prod. ............ (tons) | 195,481 | 157,326 | 554,482 | 464,165 | +19.4 |
| AUTOMOBILES—(Number)— | | | | | |
| Passenger Cars: | | | | | |
| Domestic sales* .. (Mar.) | 11,272 | 10,481 | 23,727 | 24,999 | —5.1 |
| Factory output ... (Mar.) | 12,093 | 12,025 | 34,730 | 37,383 | —7.6 |
| Trucks and Buses: | | | | | |
| Domestic sales* .. (Mar.) | 3,389 | 2,515 | 8,130 | 6,605 | +23.1 |
| Factory output ... (Mar.) | 13,951 | 4,587 | 38,219 | 14,635 | +161.5 |
| Financing: | | | | | |
| Used ............ (Mar.) $ | 4,127,736 | 2,820,514 | 9,424,907 | 6,837,489 | +37.8 |
| New ............. (Mar.) $ | 3,352,549 | 2,590,162 | 7,945,350 | 6,389,014 | +24.4 |
| CONSTRUCTION— | | | | | |
| Contracts awarded . (Apr.) $ | 23,567,200 | 25,905,000 | 88,843,500 | 58,244,700 | +52.5 |
| ■Cement prod., bbls. (Feb.) | 302,182 | 204,287 | 584,746 | 394,862 | +48.1 |
| AGRICULTURE— | | | | | |
| Flour prod., bbls. .. (Mar.) | 1,476,673 | 1,257,034 | 4,116,229 | 3,770,135 | +9.1 |
| Flour exp., bbls. ... (Mar.) | 559,139 | 715,579 | 1,520,714 | 2,000,233 | —23.9 |
| Wheat exp., bush. .. (Mar.) | 11,622,719 | 8,628,277 | 25,962,393 | 25,584,119 | +1.2 |
| ■Cattle sales▲ ........ (Apr.) | 89,786 | 93,444 | 313,431 | 302,991 | +3.4 |
| ■Hog sales▲ .......... (Apr.) | 629,453 | 476,593 | 2,154,847 | 1,596,254 | +35.0 |
| SEA FISHERIES—‡ | | | | | |
| Catch, cwts. ........ (Mar.) | 407,300 | 456,550 | 1,280,000 | 2,620,150 | —51.1 |
| Landed value ...... (Mar.) $ | 562,230 | 425,600 | 1,667,630 | 1,840,800 | —9.4 |
| NEWSPRINT— | | | | | |
| Production, tons ... (Mar.) | 275,769 | 251,279 | 782,674 | 734,134 | +6.6 |
| Exports .......... (Mar.) $ | 10,811,336 | 8,984,203 | 30,898,378 | 27,012,093 | +14.3 |
| MINING AND OILS— | | | | | |
| Coal prod., tons .... (Mar.) | 1,529,103 | 1,341,158 | 4,755,186 | 4,564,194 | +4.1 |
| Coal imports, tons .. (Mar.) | 703,411 | 430,598 | 1,741,393 | 1,345,315 | +29.4 |
| Gold prod., fine oz. (Mar.) | 426,842 | 355,571 | 1,300,324 | 1,129,610 | +15.2 |
| ■Crude oil prod., bbl. (Feb.) | 737,313 | 655,586 | 1,539,965 | 1,142,445 | +34.7 |
| ■Crude oil imp., gals.† (Mar.) | 62,661 | 55,085 | 181,124 | 169,704 | +6.7 |
| ELECTRIC POWER OUTPUT—(March)— | | | | | |
| Total monthly, 1,000 kw.h.'s | 2,631,809 | 2,426,157 | 7,673,572 | 7,319,331 | +4.8 |
| FOREIGN TRADE—♦ | | | | | |
| Imports ............ (Mar.) | 107,982,222 | 76,733,896 | 295,996,312 | 218,879,594 | +35.2 |
| Exports ............ (Mar.) | 102,995,261 | 83,465,140 | 292,480,254 | 246,633,048 | +18.4 |
| OTHER INDUSTRIAL FACTORS— | | | | | |
| Dressed lumber exp.: 1,000 bd. ft. ...... (Mar.) | 169,810 | 145,451 | 486,643 | 430,646 | +13.0 |
| ■Shoes, prod., pr. ... (Mar.) | 2,524,243 | 2,242,756 | 6,641,192 | 6,595,846 | +0.6 |
| Cotton consump., lb. (Mar.) | 16,803,419 | 16,060,216 | 49,086,877 | 47,661,320 | +2.9 |
| ■Raw rubber imp., lb. (Mar.) | 9,636,314 | 6,076,667 | 31,232,029 | 24,755,771 | +26.2 |
| Cigarette cons. No.† (Mar.) | 692,672 | 533,352 | 1,872,762 | 1,668,313 | +12.2 |
| ■Sugar manufactured .. lb.§ | 49,950,676 | 59,710,134 | 192,032,236 | 182,461,630 | +5.2 |
| FINANCE— | | | | | |
| Bank debits† ...... (Mar.) $ | 2,838,146 | 2,412,660 | 8,319,432 | 8,042,212 | +3.4 |
| Bond sales† ........ (Mar.) $ | 42,789 | 92,115 | 239,386 | 529,037 | —54.7 |
| Life insurance sales (Mar.) $ | 33,700,000 | 30,265,000 | 93,526,000 | 95,811,000 | —2.3 |

*D.B.S. All Canada figure covering over 90% of the Canadian total.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. *Final.
▲Total at yards and plants
New items for week marked ■
†000's omitted. §For four weeks to April 19. ♦Gold excluded.

## $8 Millions Plant At Windsor For Air Machine Guns

From Our Own Correspondent

OTTAWA.—The Government has announced plans for immediate erection of a plant in Windsor to manufacture aircraft machine guns. The combined cost of constructing and equipping the factory will amount to approximately $8 millions and it will employ 3,000 workers.

The plant will be owned by the Government, the Department of Munitions and Supply putting up the capital cost. It will be operated by a subsidiary of the General Motors of Canada, to be known as the Border Cities Industries Ltd.

The factory will produce Browning high-speed machine guns, complete except for the barrels. The barrels will be turned out in other Canadian plants which have the necessary special equipment. Location of the plant is adjacent to the General Motors engine plant at Windsor.

## Kingston Shipbuilding Works at Capacity

Kingston Shipbuilding Co. and its subsidiaries are working at capacity building corvettes under contract with the Department of Munitions and Supply, according to R. M. Wolvin, president. Orders on hand are reported sufficient to keep all plants busy for six to eight months.

Offer to purchase 5,200 shares of the 7%, $25 par preferred stock at par, on consideration that holders surrender rights to arrears of dividends which are now outstanding since Dec. 31, 71936. In 1940 a similar offer was made and 5,200 of the 26,000 shares then outstanding were purchased and retired. The present offer involves 25% of the preferred stock currently outstanding.

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# *See Propane Solving Gas Shortage*

## Oil By-product Useful For Peak-load Crises

Solution of the problem of natural gas shortages at peak load periods is being negotiated by natural gas producers of southwestern Ontario, with the Gas Commissioner of the Ontario Department of Mines and the Dominion Oil and Power Controllers.

Problem became acute last winter as a result of the heavy increase in industrial consumption of natural gas, resulting in occasional shortages of gas for domestic purposes, including home heating, during cold snaps. On more than 15 occasions home heating units went out for lack of fuel, the shortage being most pronounced where the consumer was located at the end of a transmission line.

For safety, additional supplies must be arranged to provide for peak demands on approximately 30 days in the coming winter.

### Refinery By-product

Method favored by the Dominion controllers, and concurred in by Ontario and the industry, is to utilize propane, a component of still gas, residue product of oil refining and currently used to fire oil stills. Oil refineries can separate the propane from the still gas, shipping it in pressure tank cars as a liquid. Equipment is installed in certain refineries for the production of liquid propane. Majority will have to install the units.

Liquid propane will be vaporized by the gas companies and pumped into the mains. This will require two special plants in southwestern Ontario, each costing an estimated $200,000. Propane has heating power approximately equal to natural gas, higher than most other forms of artificial gas. Its heating qualities are above the requirements for still-firing in the refineries, which will make up for their loss of propane by employing cheaper, low-grade fuels, possibly bunker fuel oil.

### Save Foreign Exchange

Advantage of this method of satisfying the peak load demand of the natural gas industry is the conservation of foreign exchange. Other methods would, it is believed, require larger imports, whereas the propane method utilizes an existing by-product.

Since last November sales of appliances to industrial or domestic consumers of natural gas in southwestern Ontario have been subject to permit of the Natural Gas Commissioner of the Ontario Department of Mines. Additional consumption has been kept to a minimum.

The restrictions in force have no bearing on sales of artificial gas by established companies in that industry. The peak-load problem is less acute in the artificial gas industry, since larger reserves are normally maintained, and the gas used to a lesser extent in home heating.

### Union Gas Not Affected

Territories served by Union Gas Co. will not be affected by any rate revision, as that company already operates a stand-by plant for production of gas from oil at Windsor and helped relieve other shortages last winter from its own lines. Fields served by Dominion Natural Gas Co. and United Gas & Fuel Co., a joint subsidiary of Dominion and Union Gas will be the only ones affected by rate revisions. These areas include Hamilton, St. Catharines, Brantford, Woodstock, Preston, Hespeler, Galt, Paris and St. Thomas.

The additional expenditures necessitated by the new stand-by equipment, and the higher cost of propane in comparison with natural gas, may bring moderately higher gas rates in southwestern Ontario. The increase, if any, is expected to be minor, as the additional cost will be spread over a wide area, involve a relatively small additional output of gas.

## *Tourist Missionary Work Gains Headway in U. S.*

Direct missionary work in the United States to press Canada's bid for tourist patronage, and at the same time to explain why Canada is forced to ban U. S. pleasure travel for Canadians, has gained considerable momentum in recent weeks.

The staggering size and cost of Canada's war effort has not been fully appreciated in the United States. In particular there has been lack of understanding that Canada's acute need for U. S. dollars made it necessary to keep Canadians at home while appealing to Americans to come to the Dominion. Among U. S. hotelmen deprived of Canadian patronage there has been resentment and protest against Canada's policy.

Earnest efforts have recently been made, both officially and by private groups, to clear up this misunderstanding and to inform Americans more widely of the problems arising out of Canada's war effort. This, it is hoped, will aid in stimulating U. S. tourist visits to the Dominion. Much of the work of clarifying Canada's position has been done by direct contact with Americans by Canadian businessmen travelling in the U. S.

### Hotelmen Active

Canadian hotelmen have been especially active in this regard, a particularly ambitious effort having recently been made by Vernon G. Cardy, vice-president and general manager of the Mount Royal Hotel in Montreal. Mr. Cardy made a tour of American hotels and appeared at conventions in U. S. centres to spread information on Canada's position in regard to tourist travel.

Appearing at the New Jersey State Hotel Association convention at Atlantic City, Mr. Cardy pointed out that a basis for collaboration of the two nations in the war crisis has been laid by the tourist trade which had flowed between Canada and the U. S. in past years. He added:

"But our good neighbors must realize that for the time being, at least, travel by Canadians in the United States must be curtailed simply because Canada cannot afford to pay the United States for luxuries as well as the necessities of existence.

"Canada is in the position of a citizen buying from his neighbor. In the past we bought and paid for the necessities and had good American cash or credit left over to buy the luxuries of travel. Today we are faced with staggering purchases from the United States and we cannot think of luxuries and pleasures until we pay for our necessities."

## Sherwin-Williams Cuts Preferred Arrears

From Our Own Correspondent

MONTREAL. — Sherwin-Williams Co. of Canada has declared a dividend of $3.50 a share on its preferred stock, payable July 2, 1941, to shareholders of record June 15. After this payment arrears will be reduced to $1.75 a share, or one quarterly payment.

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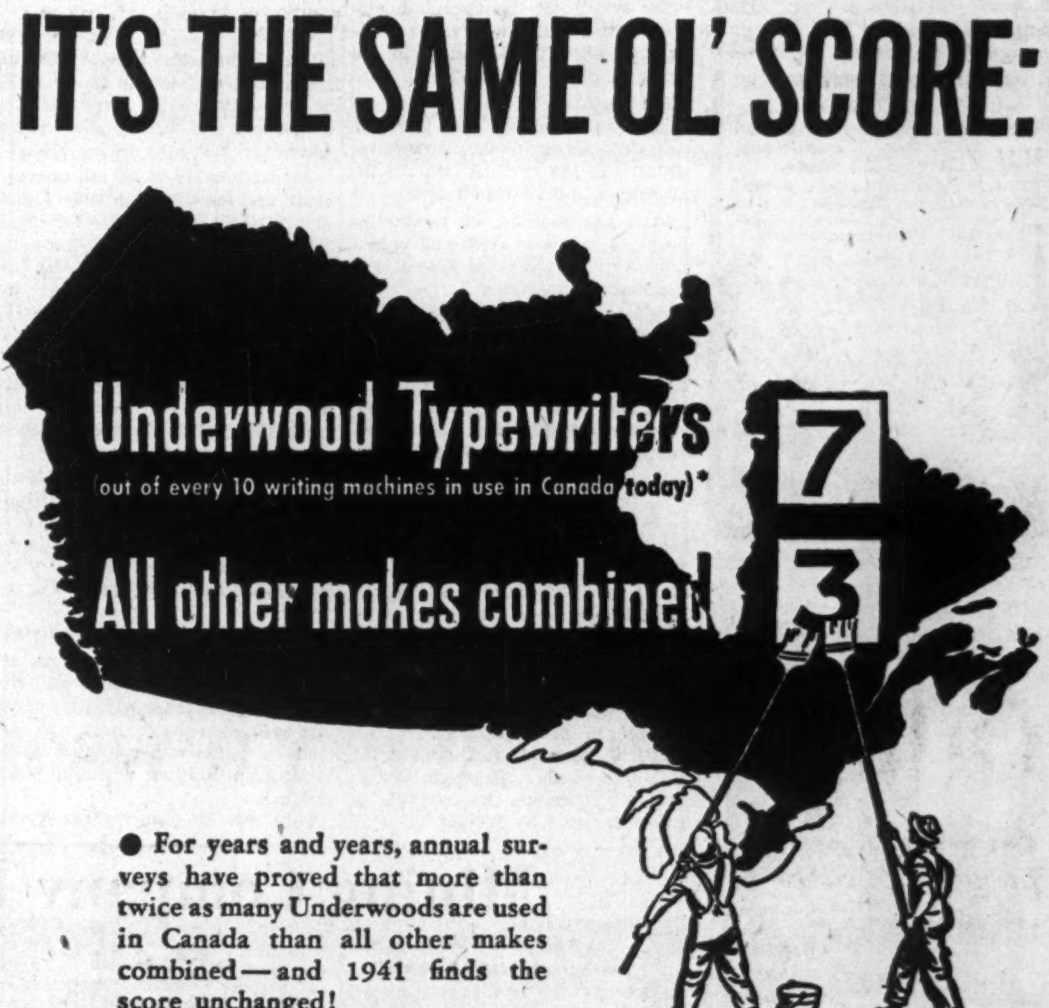
## Celanese to Build New Virginia Plant

Another Virginia plant will be built by Celanese Corporation of America at Verona. The new plant will occupy a 148-acre tract recently acquired by the company. The first Virginia plant near Narrows, was begun in May 1, 1939, and made shipments in January, 1940. It has been expanded steadily and is expected to equal the size of the main unit at Amcelle, Maryland.

## Nu-Wall Industries Assets Are Sold

Nu-Wall Ltd. has been incorporated to take over the assets of Nu-Wall Industries Ltd. The old company has sold its assets to H. W. Cavel, Toronto, for $7,000 in cash. Payment has been received and, after creditors' claims and costs are satisfied, it is said there will be a small amount left over for distribution among shareholders of Nu-Wall Industries.

In '41,
IT'S THE SAME OL' SCORE: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(out of every 10 writing machines in use in Canada today)*
All other makes combined 3

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22 *exclusive* features assure you greater production — less cost!

# War Doesn't Halt 1,000 Mile Holiday Cruises

## Safe From Enemy, Great Lakes Gain Popularity

Virtually cut off from ocean voyages, Canadians can still make an unbroken trip of over 1,000 miles by water in ocean-going ships, without getting closer than 800 miles to the sea and without leaving Canada.

Such cruises offer all the distinctive features normally associated with the glamor of oversea journeys, including special boat trains from chief centres of population direct to the dockside. The ship is out of sight of land much of the time. Passengers can play shuffleboard, dance and indulge in other shipboard pastimes; morning bouillon and afternoon tea are served on deck; invigorating breezes stimulate appetites for traditionally lavish menus of steamship dining saloons.

The only notable contrast with ocean voyages is the lack of salt-laden winds and of the heaving swell of the briny deep. For the cruises in question ply across the Great Lakes, the world's greatest inland expanse of navigable waters. From the western terminal of the trips it is 1,500 miles to the Pacific; from the quayside at the eastern end, between 800 and 1,000 miles to the war-torn Atlantic.

### Big Draw This Year

The distinctive travel pleasure of Canada's inland cruises promise to be discovered by a record number of holidayers this year. Any prospect of allowing U. S. vacation travel for Canadians was firmly dissipated by Finance Minister Ilsley, when he brought down the new Dominion budget. And both Canadians or Americans who might normally turn to sea journeys this summer, find such trips sharply restricted in choice if not practically out of the question.

It is possible, of course, to travel by ship over Canada's inland waterways all the way from the Gulf of the St. Lawrence to the head of the Great Lakes at Fort William and to make delightful complete cruises over sections of the route. However, the complete trip by water cannot be made continuously without breaks involving "portages" or changing ships, in particular at Montreal and Prescott, and to jump the ship travel bottleneck between Toronto and Georgian Bay-Lake Huron.

But on the upper lakes, inland cruisers can make unbroken journeys all the way from the eastern shores of Georgian Bay and Lake Huron to the head of the lakes midway across the continent—a stretch of 550 miles.

It is the cruise across this great expanse of water, including the world's greatest lake (Superior), which offers the closest match for ocean voyages in both the general nature of the trip and the ship facilities available. The right of vessels used to class as ocean-going ships is supported by the fact that the principal craft on the run crossed the Atlantic under their own steam to go into service.

### Historic Background

While the lake cruises did not win their full meed of popularity until relatively recent years, they have behind them a mellow historic tradition based on nearly 60 years of similar ship services across the upper lakes. The Canadian Pacific began in 1883 to operate steamship service between Owen Sound on Georgian Bay and Fort William-Port Arthur, by way of the north inside channel around Manitoulin Island. This is still one of the two alternative cruise routes for lake travellers.

The main route with Port McNicoll as the eastern terminus was inaugurated in 1912. Today two large steamships, distinctive with their gleaming white exteriors and fully modernized facilities, maintain twice weekly service from both ends of this run. One feature of the cruise is the special boat train operated between Toronto and Port McNicoll, to connect with each sailing or arrival of the two vessels (Keewatin and Assiniboia).

In a unique class as a "steamship special" to an inland body of water, running away from, rather than to, tidewater, the train takes passengers directly to the Port McNicoll dock. Passengers have only to alight from the cars and walk through a landscaped flower garden to board the ship.

### Interesting Route

Sights of interest in the course of the cruise begin at Port McNicoll, where huge elevators with capacity of 6 million bushels of wheat reflect the importance of the place as a grain-shipping channel. The cruise westward across Georgian Bay is routed past many of the famous Thirty Thousand Islands, the limestone cliffs of Cape Hurd, and queerly shaped Flower Pot Island. Then the ship heads out across the 207-mile length of Lake Huron, second largest of the Great Lakes.

The approach to Sault Ste. Marie, where the ship docks briefly before passing through the locks into Lake Superior, is past the sandy beaches and cottages lining the narrow St. Mary's River. In contrast are the high, rugged shore lines of Lake Superior.

The towering wheat elevators and other grain-handling facilities at Fort William-Port Arthur are of unfailing interest for cruise passengers. During the day and a half the ship lays over at the head of the lakes many visitors find time to enjoy the attractions of the twin cities district, including the big open-air resort area at Kakabeka Falls and the lodges, beach and natural-habitat zoo at Chippewa Park.

Including the stopover at Fort William the cruises afford a pleasant five-day holiday. Leaving every Wednesday and Saturday afternoon (commencing June 14 this year), passengers are back in Port McNicoll and Toronto before noon on the following Monday or Thursday. The alternative cruises by way of Owen Sound and the north inside channel of Manitoulin Island leave each Monday. All inclusive round trip costs range from $45 to $65 per person, with around $5 extra for the round trip fare on the boat train from Toronto.

Boat services are also operated across the upper lakes by Canada Steamship Lines, with Sarnia as the eastern terminal.

ECONOMICAL AND DELIGHTFUL

**Most of the attractions of sea voyages now largely precluded by war conditions are matched by holiday cruises across Canada's Great Lakes. They can be enjoyed as short trips of a day or two in length or as longer vacation cruises lasting five days and covering over 1,000 miles. With deck-games, bouillon in the morning, tea in the afternoon, gala parties in the evening, and the fine ships much of the time out of sight of land, passengers have all the pleasures of ocean voyages.**

# Can They Make Planes Fast Enough?

## Today's Facts on Air Frames and Engines Encouraging

**By RONALD A. KEITH**
**Editor, Canadian Aviation.**

The present expansion and future productive possibilities of the American aircraft and engine industries are a most important question mark for Canadians.

For one thing, the Canadian aircraft industry and the air crew training programme alike are meshed with U.S. plane production.

Furthermore, the ability of our neighbor to deliver the goods in quantity through the submarine gauntlet of the north Atlantic is the key factor in Britain's victory.

Thus the question of production progress in the aircraft and engine industry of the United States is of paramount importance.

According to T. P. Wright, engineering vice-president of Curtiss-Wright Corp.; consultant for the National Defense Advisory Commission, and widely regarded as perhaps the best informed aircraft production man in the United States, the British and German air strengths next spring will be even at 49,000 planes.

In charting the probable expansion of aircraft production in the United States, Mr. Wright sets an objective of 19,500 planes in 1941, with an increase to 28,000 delivered in 1942, 39,000 in 1943, and 49,000 in 1944.

With that schedule maintained, Britain will win, he declares.

Here are production figures for U. S. military aircraft during the past six months. The numbers in brackets represent the schedule of output forecast by Wright.

| | | |
|---|---|---|
| November | 700 | (625) |
| December | 800 | (750) |
| January | 1,000 | (875) |
| February | 972 | (1,000) |
| March | 1,200 | (1,100) |
| April | 1,427 | (1,250) |

William Knudson, Director of O.P.M., has predicted delivery of 18,000 military planes during 1941, although the latest reports from his office hint that this is likely to be nearer 20,000. He forecasts the manufacture of 30,000 planes in American war factories during 1942.

Approximately 44,000 military aircraft are on order in the U.S.A. About 16,000 of these are for Great Britain and Canada, 16,500 are for the U.S. Army, 8,500 for the U.S. Navy and some 3,600 are under the so-called Knudson plan whereby automobile manufacturers are to build bomber components.

It is reliably reported that requirements under consideration will bring the total of planes on order up to 80,000. For example, a detailed plan for the provision of $2,054 millions. worth of aircraft for Britain under terms Lease-Lend has been worked out and soon will be in effect.. This will mean between 10,000 and 15,000 aircraft, depending on types.

In 1939, U.S. manufacturers delivered $225 millions of planes. In 1940 output had soared to $544 millions, although simultaneously a tremendous expansion programme was carried on. It is expected that plane production this year will total $1,500 millions.

July, 1940, the industry was operating 17,216,410 sq. ft. of floor area. March, 1941, eight months later, this had increased 82%.

Last July, there were 120,106 employees. In eight months, this number increased 88 per cent to 226,172.

Miracles in air frame production depend however on engines, and engine deliveries have been and are likely for some time to be a drag.

At present, there are three principal manufacturers of high-powered aircraft engines: Pratt & Whitney (radial), Wright Aeronautical (radial) and Allison (in-line).

A survey of these three reveals the following total production:

Sept., 1939: 200 to 300 engines a month.

Sept., 1940: 1,500 engines a month.

July, 1941: forecast, 3,500 to 3,700 a month.

The Allison division of General Motors Corporation reported to have turned out about 400 units during February of this year, and plans 1,000 a month before this year end. Allison holds U.S. Army orders for $234 millions for use in Curtiss P-40, Bell Airocobra, Lockheed P-38 and the North American Na-73 pursuits.

Pratt & Whitney production totalled about one million horsepower in February. This should increase to 1.5 million per month by July; two millions by the end of the year..

Wright has increased from a 1.1 million in January and is expected to be 1,750,000 in May.

On the average, two engines per plane are required. With the April plane production at 1,427, it is evident output of the big three engine-makers will not keep pace. There is hope, however, that the four automobile manufacturers now engaged on aircraft engine contracts will make good the deficiency.

Ford has a $122 millions order for 4,236 Pratt & Whitney Double Wasp 18-cylinder engines. Work is far ahead of schedule and officials predict 500 engines a day by December.

Without waiting for completion of its new plant in Detroit, Packard is building Rolls-Royce Merlin engines by hand and expects to have some ready by July. This company has contracts for 9,000 Merlins; 6,000 for Great Britain and 3,000 for the United States. Volume production will begin late in the Fall.

Buick holds orders for $36 millions of Pratt & Whitney engines. The $31 millions plant at Chicago will require another nine months for building and tooling, but officials claim production will be 500 a month from now.

Studebaker's $50 millions expansion for engine production at South Bend, Ind.; Ft. Wayne, Ind., and Chicago, Ill., has just got nicely started. The present order is for Wright engines, value $33 millions. No production is anticipated for at least nine months. Eventual monthly output of between 500 and 750 engines is expected.

One year from today, when motor companies will be producing engines at near-peak capacity, aircraft power plants will be coming off American assembly lines at the rate of 8,500 per month, or about 100,000 a year. Two engines for each of the 50,000 planes a year Roosevelt not long ago charted as required for victory.

# Mining Company Reports

## Anglo-Canadian

Although the company charged $252,585 directly to operations for amortization of wells against only $7,112 the previous year, increased operating income allowed Anglo-Canadian Oil Co. to increase profit from $277,094 to $357,174 in the year ended Jan. 31, 1941. Earnings were equal to 15.9 cents a share against 12.3 cents in the 1940 period.

By redeeming $228,000 of bonds of the company's subsidiary, Drilling Contractors, the way is stated to have been cleared for dividends. An initial payment of 4 cents a share was made May 1. Working capital amounted to $398,497 on Jan. 31, 1941, against $232,560 a year previously.

**Consol. Income and Surplus Account**
**Years Ended Jan. 31**

| | 1941 | 1940 |
|---|---|---|
| | $ | $ |
| Gross oper. income | 876,609 | 690,018 |
| Add: Other income | 45,988 | 14,614 |
| Share distribut. | 129,767 | 218,727 |
| Total income | 1,052,364 | 923,359 |
| Less: Depreciation | 187,234 | 201,616 |
| Depletion | 86,586 | 116,580 |
| Amortization | 252,585 | 7,112 |
| Advances w/o | 1,228 | 94,698 |
| Bond interest | 11,539 | 14,253 |
| Bond discount, etc. | 20,018 | 7,112 |
| Income taxes | 136,000 | 70,608 |
| Net profit | 357,174 | 277,094 |
| Add: Prev. surplus | 531,952 | 312,242 |
| Less: Rev. transf. | 26,000 | ...... |
| Amort. of leases | 54,129 | 22,954 |
| Develop. w/o | 155,014 | 34,430 |
| Surplus forward | 653,984 | 531,952 |
| **Earnings per Share and Dividend Record:** | | |
| Earned | $0.159 | $0.123 |
| None paid. | | |
| No. of Shs. Outstand. | 2,250,000 | 2,250,000 |

**Working Capital**

| | 1941 | 1940 |
|---|---|---|
| Current assets | 726,123 | 429,293 |
| Current liabilities | 327,626 | 196,733 |
| Working capital | 398,497 | 232,560 |

## Hoyle Gold

A further $566,867 was expended on development and mill construction by Hoyle Gold Mines in 13 months ended Jan. 31, 1941, the annual report shows. The mill of 450 tons daily capacity has been in continuous operation since Jan. 23, 1941.

According to J. M. Cunningham-Dunlop, mine manager, crushing plant capacity can be increased to 1,000 tons daily while the cyanide plant can go to 900 tons with minor additions. Flotation capacity can be increased from 500 to 900 tons and grinding capacity can be increased from 500 to 600 tons.

Ore reserves remain at 1.3 million tons of 0.124 oz. cut grade over 43 ft. width, all above the 700-ft. level. Following decision to erect a mill, work was concentrated on stope development. Ore has been indicated by drifting west on the 1,800-ft. level but its full importance is not yet known.

Balance sheet at Jan. 31, 1941, shows current liabilities of $343,622 including a $133,000 bank loan and $181,487 of accounts payable and accrued charges. Current assets were $54,871.

## Texas-Canadian

While operating profits showed increase, Texas-Canadian Oil Corp. had a net loss of $119,565 in the year ended Jan. 31, 1941, against $36,653 the year before. Interest charges and increased allowance for leases abandoned brought the greater loss.

Sale of the Victory lease in east Texas allowed a reduction in the excess of current liabilities over current assets from $697,669 to $396,065 during the year.

Balance sheet and income and deficit account do not bear an auditor's statement due to conflict of opinion between auditors and an independent geologist as to oil reserves. When a revised estimate is arrived at, an audited balance sheet dated May 1, 1941, is to be mailed to shareholders.

**Income and Deficit Account**
**Years Ended Jan. 31**

| | 1941 | 1940 |
|---|---|---|
| | $ | $ |
| Oil & gas sales | 509,777 | 501,105 |
| Less: Operat. exps. | 242,320 | 260,720 |
| Operat. profit | 267,457 | 240,385 |
| Add: Other revenue | 11,764 | ...... |
| Total net revenue | 279,221 | 240,385 |
| Less: Interest | 30,473 | ...... |
| Fed. inc. tax exp. | 5,923 | ...... |
| Judg. & exps. | 3,848 | ...... |
| Depletion | 108,167 | 99,798 |
| Depreciation | 90,686 | 103,254 |
| Leases abandoned | 127,112 | 73,986 |
| Reorg. exps. | 32,577 | ...... |
| Net loss | 119,565 | 36,653 |
| Add: Loss on assets | 411,697 | ...... |
| Less: Prev. surplus | 393,850 | 430,504 |
| Deficit forward | 137,412 | 393,851 |

**Note:**—Figures for 1940 are unaudited. No provision is made in 1940 for a $50,000 income tax levy appealed or for lawsuit claiming $250,000 damages.

**Working Capital**

| | 1941 | 1940 |
|---|---|---|
| Current assets | 38,339 | 54,580 |
| Current liabilities | 434,404 | 752,249 |
| Excess of curr. liabs. over curr. assets | 396,065 | 697,669 |

## Young-Davidson

Based on its 20% share in profits, Young-Davidson Mines was entitled to $76,443 from operation of the mine by Hollinger Consolidated Gold Mines in 1940, an increase of $18,810 over 1939. Net profit after all charges was $63,409 or 4 cents a share against 2.9 cents the preceding year.

Working capital increased sharply from $8,013 to $42,664 last year, after paying $31,682 in dividends.

A total of 994,943 tons of ore was broken in 1940 with 368,247 tons milled. Broken ore at the end of the year was 626,696 tons, sufficient for approximately 20 months' operations. At present milling rate, ore reserves are estimated over 10 years.

Indications have been found that a sizeable ore body may exist on the northeast part of the property. Exploration is to be undertaken there this year.

**Statement of Operating Results**
**(Results at property, title held by Hollinger)**
**Years Ended Dec. 31**

| | 1940 | 1939 |
|---|---|---|
| | $ | $ |
| Bullion value | 1,505,338 | 1,421,281 |
| Add: Discounts rec'd. | 993 | ...... |
| Total income | 1,506,331 | 1,421,281 |
| Less: Mining | 532,815 | 493,919 |
| Milling | 220,844 | 215,533 |
| General expense | 271,344 | 90,915 |
| Operat. profit | 481,328 | 620,914 |
| Less: Taxes | 60,272 | 39,989 |
| Development w/o | ...... | 137,730 |
| Net operat. profit | 421,056 | 443,195 |
| Holl. cap. exps. | 38,842 | 155,033 |
| Divisible profit* | 382,214 | 288,162 |

*Of which 20% belongs to Young-Davidson Mines by agreement.

**Profit and Loss Account**
**Years Ended Dec. 31**

| | 1940 | 1939 |
|---|---|---|
| | $ | $ |
| Share of div. profits | 76,443 | 57,632 |
| Add: Tax adjust. | 601 | ...... |
| Less: Admin. expense. | 7,280 | 6,012 |
| Incorp. expense w/o | 4,160 | 5,855 |
| Ont. inc. tax | 2,195 | ...... |
| Net profit | 63,409 | 45,765 |
| Less: Dividends | 31,682 | 31,682 |
| Surplus for year | 31,727 | 14,083 |
| Add: Prev. surplus | 12,615 | *3,038 |
| Less: Tax adjust. | 1,635 | †1,570 |
| | 42,707 | 12,615 |

*Deficit. †Tax rebate.

| | 1940 | 1939 |
|---|---|---|
| **Earnings per Share and Dividend Record:** | | |
| Earned | $0.04 | $0.029 |
| Paid | 0.02 | 0.02 |
| No. of Shs. Outstand. | 1,584,108 | 1,584,108 |

**Working Capital**

| | 1940 | 1939 |
|---|---|---|
| Current assets | 46,090 | 8,914 |
| Current liabilities | 3,426 | 901 |
| Working capital | 42,664 | 8,013 |

# Second Air Service to U. S. To Operate from Toronto

Three round-trip daily services between Toronto and Buffalo, linking the former with air routes to every important centre in the United States, will be inaugurated by American Airlines on June 2. Executives of the company, with U. S. airmail and civil aviation officials, came to Canada during the past week to complete plans.

Authority for operation of the new service was granted three weeks ago, at the same time as Trans-Canada Air Lines was authorized to start its non-stop New York-Toronto service, now in operation. For the next two weeks American Airlines will operate test flights between Toronto and Buffalo to familiarize its pilots with the route. In the meantime, establishment of ticket offices, maintenance quarters and other facilities is being pressed by officials of American now in Toronto.

Canadians now with the company will be transferred to handle operations in Canada.

The limited schedule with which the service will start provides flights to Buffalo at 11 a.m., 4.25 p.m. and 7.55 p.m., standard time, to connect with the 14 New York and 13 other trips passing through Buffalo daily. Special arrangements have been made for speedy handling of Canadian passengers at Buffalo airport, so connections can be readily effected for trips to Cleveland, Los Angeles, Chicago and other points.

The service will operate with 21-passenger Douglas DC-3 planes. The three trips daily out of Toronto will supplement the two direct non-stop trips now being operated to New York by T. C. A., leaving Toronto at 10 a.m. and 11.30 p.m. standard time daily.

# Secondary Mart Now Granted Oil Royalties

Trading in oil royalties "ahead of the drill" becomes possible in Ontario following a change in the regulations of the Ontario Securities Commission. Such trading however will only be permitted when the actual money necessary to complete an oil well has been placed with a duly-appointed trustee with completion of the well guaranteed.

Subscriptions or commitments by drilling companies and similar organizations to accept preferred net royalties in lieu of cash for the part played in drilling a well, however, will be considered as having been deposited with the trustee so that present practices will not be interfered with.

As before, the fixed preferred amount in dollars must not be less than the original offering price to the public. If it wished to trade oil royalties "at the market," the trust company acting as the trustee must notify the Ontario Securities Commission.

### Helps Dealers

The new regulations are expected to cause considerable satisfaction among dealers in oil royalties, it is stated. Some of the smaller royalty retailing houses were partially dependent on profits from market activity in oil royalties last year until a change in regulations prohibited market trading in royalties until a well reached production. This situation also caused serious difficulty with the larger house financing oil wells. Purchasers were inclined to hold off until a well was nearly completed even though drilling was being done on a turn-key basis. The royalty issuing house therefore had to put up more of its own money than before to guarantee completion of a well.

The change in the Ontario regulations brings practice into line with that already in effect in Alberta.

# Bart Malartic Lets Drilling Contract

A contract for a programme of diamond drilling has been let by Bart Malartic Gold Mines to Inspiration Mining & Development Co.

The company's property, on which a new development programme is to be undertaken, comprises 15 claims in the Malartic area of Quebec adjoining Malartic Gold Fields. Work is to be under the direction of J. P. Norrie, the company's consulting engineer.

# Public Utility Earnings

**East Kootenay Power**

| March: | 1941 | 1940 |
|---|---|---|
| | $ | $ |
| Gross revenue | *54,188 | 45,881 |
| Less: Oper. exp. | *17,274 | 13,930 |
| Net earnings | *36,914 | 31,951 |
| **Year Ended Mar. 31:** | | |
| Gross revenue | 607,595 | 544,224 |
| Less: Oper. exp. | 216,037 | 198,367 |
| Net earnings | 391,558 | 345,856 |

*Subject to year-end adjustments.

**Canada Northern Power**

| March: | 1941 | 1940 |
|---|---|---|
| | $ | $ |
| Gross earnings | 413,708 | 435,040 |
| Less: Oper. exp. | 221,508 | 235,047 |
| Net earnings | 192,200 | 199,993 |
| **Three Months Ended Mar. 31:** | | |
| Gross earnings | 1,248,894 | 1,304,220 |
| Less: Oper. exp. | 668,349 | 701,150 |
| Net earnings | 580,545 | 603,070 |

**Twin City Rapid Transit**
**Three Months Ended Mar. 31**

| | 1941 | 1940 | Chge. |
|---|---|---|---|
| | $ | $ | % |
| Oper. rev. | 2,266,553 | 2,270,585 | —0.18 |
| Oper. exp. & taxes | 1,931,714 | 1,941,533 | —0.51 |
| Oper. income | 334,839 | 329,052 | +1.76 |
| Add: Non-oper. income | 3,101 | 3,504 | |
| Gross income | 337,940 | 332,556 | +1.62 |
| Less: Funded debt int. | 206,619 | 216,594 | —4.61 |
| Disc. amort. | 14,397 | 15,105 | |
| Misc. debits | 3,435 | 3,377 | |
| Net income | 113,489 | 97,480 | +16.42 |

**Jamaica Public Service**
**Month of March**

| | 1941 | 1940 |
|---|---|---|
| | $ | $ |
| Oper. revenues | 94,981 | 86,177 |
| Gross after retirements | 27,447 | 31,152 |
| Net income | 19,662 | 22,162 |
| **Three Months Ended March** | | |
| | 1941 | 1940 |
| | $ | $ |
| Oper. revenues | 284,679 | 256,497 |
| Gross after retirements | 84,700 | 72,506 |
| Net income | 55,861 | 45,670 |

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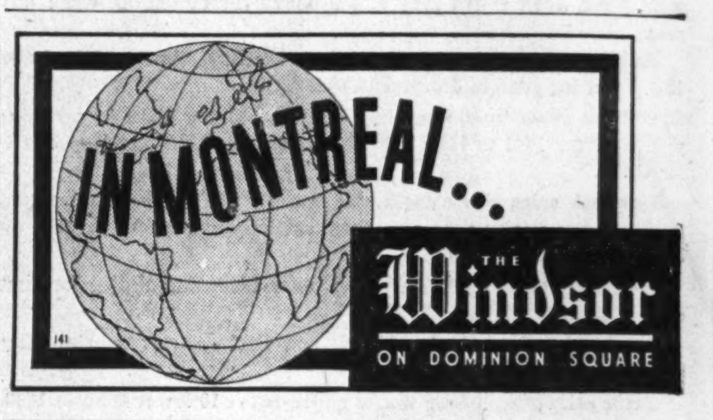

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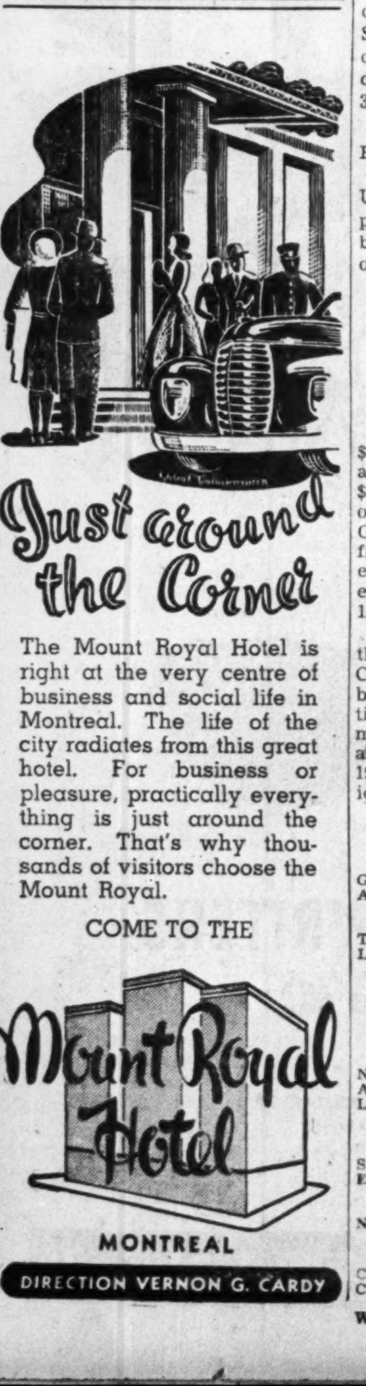

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# Another Plan For Abitibi Submitted

### James G. Bryce, Montreal, Says Bondholders' Big Need Is Champion

Holders of Abitibi Power & Paper Co. bonds need a champion to protect them from indifferent management and loss of legal rights, declares James G. Bryce, Montreal.

Mr. Bryce has a plan which he thinks will be helpful, not only to bondholders but to shareholders as well. In his opinion, the first objective should be to reduce the funded debt and this could be done, he says, by open market purchase of bonds, or through sale by tender from individual bondholders, using excess working capital now available.

**Untangle Legal Difficulties**

Mr. Bryce has written to The Financial Post outlining his ideas as follows:

"The Abitibi bondholder has looked for nine years for someone to champion his cause, to save him from indifferent management and grant him his legal rights. There have been belated attempts to straighten out the position of the bondholders, but all these have been strangled by a mass of legal machinery and conflicting interests. It would appear that the unfortunate bondholder has run the gamut of misfortune.

"After nine years is it not time to clear up this mess that has been a blot on Canadian finance? The company is doing well or relatively well and the Royal Commission has recommended that form of the company be not changed, but surely it is in the interest of bondholders and preferred and common shareholders that the bonded debt be reduced.

**Use Excess Cash Now**

"Is there any reason why the working capital in excess of $10.5 millions (the figure the Commission sets as sufficient) should not now be used to redeem bonds in the open market, or on tender from individual holders? It is probable that a large block of bonds could be acquired below 75, thus cancelling a liability to the company of $100 on each bond together with $42.50 of back interest, and a further amount of interest on interest. In other words, for every $75 expended this way, a liability of about $150 could be cancelled. If some $5 to $10 millions bonds could be taken off the market and cancelled it would materially improve the capitalization of the company and the future prospects of all security holders. The price of bonds should advance and the chances of uninterrupted interest payments brighten.

"The cash would be of infintely greater benefit to the bondholders if expended in this way than if it were paid out in redemption of some back coupons.

"The idea is a simple one as the need to reduce the bonded indebtedness is obvious.

"To whom can a poor bondholder turn to get action—action which would benefit all classes of security holders in the Abitibi Power & Paper Co."

Present conditions of the market for any corporation bonds, including those of Abitibi, make it hard to tell how many bonds could be retired without having a substantial influence on prevailing prices. Interests close to the official bondholders protective committee suggest that the amount of bonds likely to be offered at much under par would not be substantial. They claim that prevailing prices of around 65 are very low when it is considered that for $650 an investor could get a $1,000 bond on which there is accumulations of almost nine years' interest, plus interest on unpaid interest.

## New Books....

### League Yearbook

STATISTICAL YEARBOOK of the League of Nations, published in Canada by the League of Nations Society, Ottawa, paper cover $2.50, cloth $3.50.

In spite of the war, the technical work of the League of Nations continues without interruption. This latest edition of the Year Book, covering 1939 and part of 1940, comes at a time when comprehensive information on world affairs is difficult to obtain, publication of economic statistics being banned in whole or in part in many countries.

Population, foreign exchange rates, cost of living indices and statistics on production and consumption of commodities in various countries are among the matters dealt with. The population of the world at the end of 1938 is estimated at 2,145 millions, of which 450 millions were in China.

Population of Russia is estimated at 170.5 millions, the United States 131.4 millions, the German Reich 79.7 millions and the United Kingdom 46 millions.

### *U. S. Tools Up*

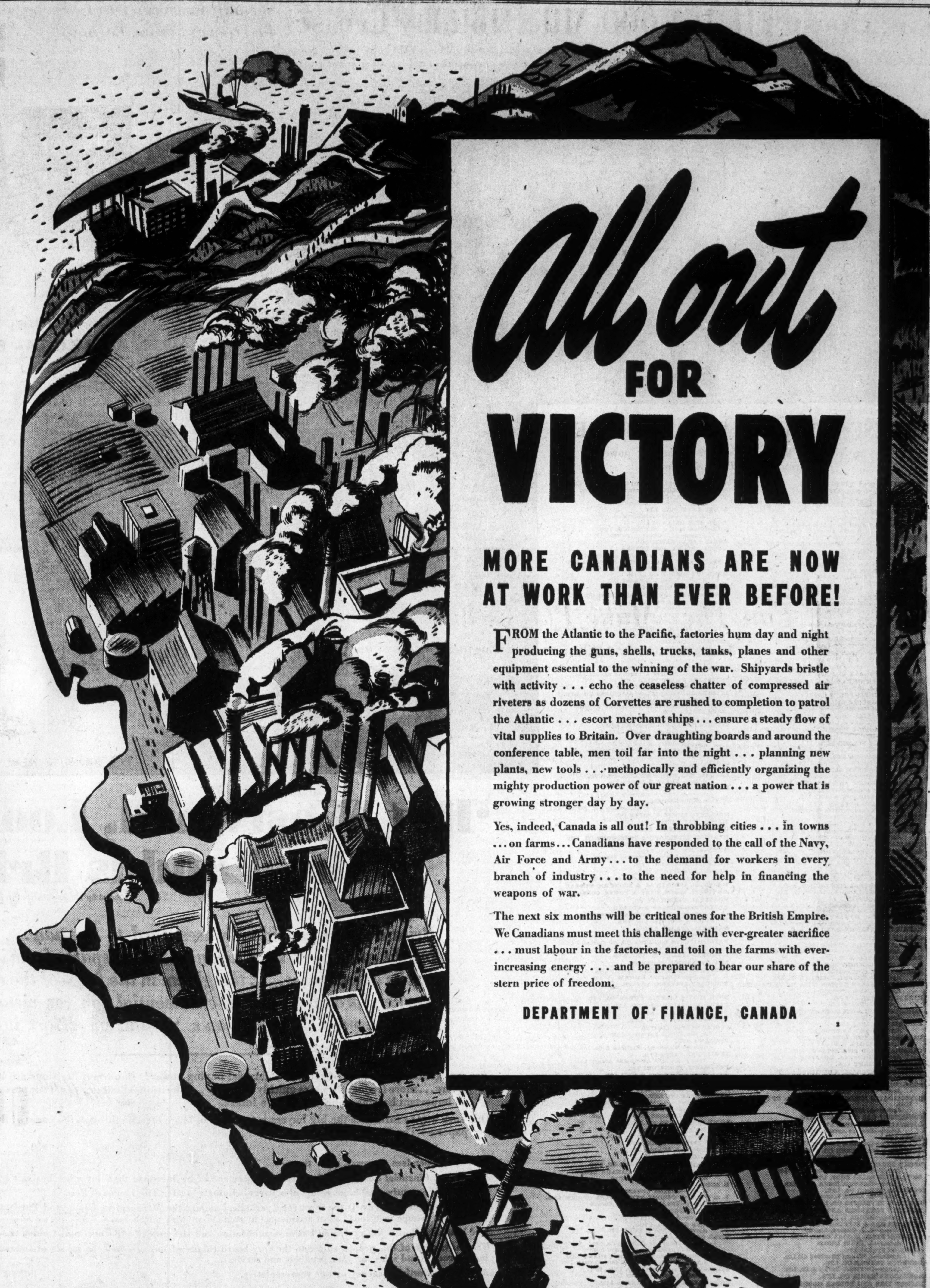
ARSENAL OF DEMOCRACY. By Burnham Finney. Published by Whittlesey House, New York. Price $2.50.

Burnham Finney is editor of American Machinist and knows a great deal about methods of production of the weapons of both peace and defense. He has written a swift-moving account of the methods by which the United States, starting from scratch, is building up an enormous total of production of the weapons needed by the embattled democracies.

He packs a great deal into what is not a lengthy volume and covers the whole gamut of American defense production from machine tools, priorities and man power to planes and tanks and guns.

Mr. Finney assures us that, despite public impatience, the progress made in the last eight months in tooling up American industry for war production is greater than many people think. But there is need for people to get more serious about the programme; to forget about five-day weeks; to rally labor to the crisis; to turn existing plants over to war manufacture instead of waiting for new plants to be built.

There is a brief but excellent chapter on Canada; the lessons we have learned and how we are now getting along in the manufacture of guns, shells, planes, etc.



# All out FOR VICTORY

## MORE CANADIANS ARE NOW AT WORK THAN EVER BEFORE!

FROM the Atlantic to the Pacific, factories hum day and night producing the guns, shells, trucks, tanks, planes and other equipment essential to the winning of the war. Shipyards bristle with activity . . . echo the ceaseless chatter of compressed air riveters as dozens of Corvettes are rushed to completion to patrol the Atlantic . . . escort merchant ships . . . ensure a steady flow of vital supplies to Britain. Over draughting boards and around the conference table, men toil far into the night . . . planning new plants, new tools . . . methodically and efficiently organizing the mighty production power of our great nation . . . a power that is growing stronger day by day.

Yes, indeed, Canada is all out! In throbbing cities . . . in towns . . . on farms . . . Canadians have responded to the call of the Navy, Air Force and Army . . . to the demand for workers in every branch of industry . . . to the need for help in financing the weapons of war.

The next six months will be critical ones for the British Empire. We Canadians must meet this challenge with ever-greater sacrifice . . . must labour in the factories, and toil on the farms with ever-increasing energy . . . and be prepared to bear our share of the stern price of freedom.

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## Sugar Beet Company Formed in Quebec

MONTREAL. — Formation of Richelieu Beet Sugar Co. is announced in the Quebec Official Gazette. Head office will be in Montreal.

Capital stock of the company amounts to $1,150,000, consisting of 50,000 shares of 6% cumulative redeemable preferred stock, of $20 par value, and 150,000 common shares of $1 par.

The Quebec Government has given encouragement to beet sugar enterprises by announcing its intention to develop new outlets for the product.

## C. N. R. Gross Revenue Up 25.9% Latest Week

From Our Own Correspondent

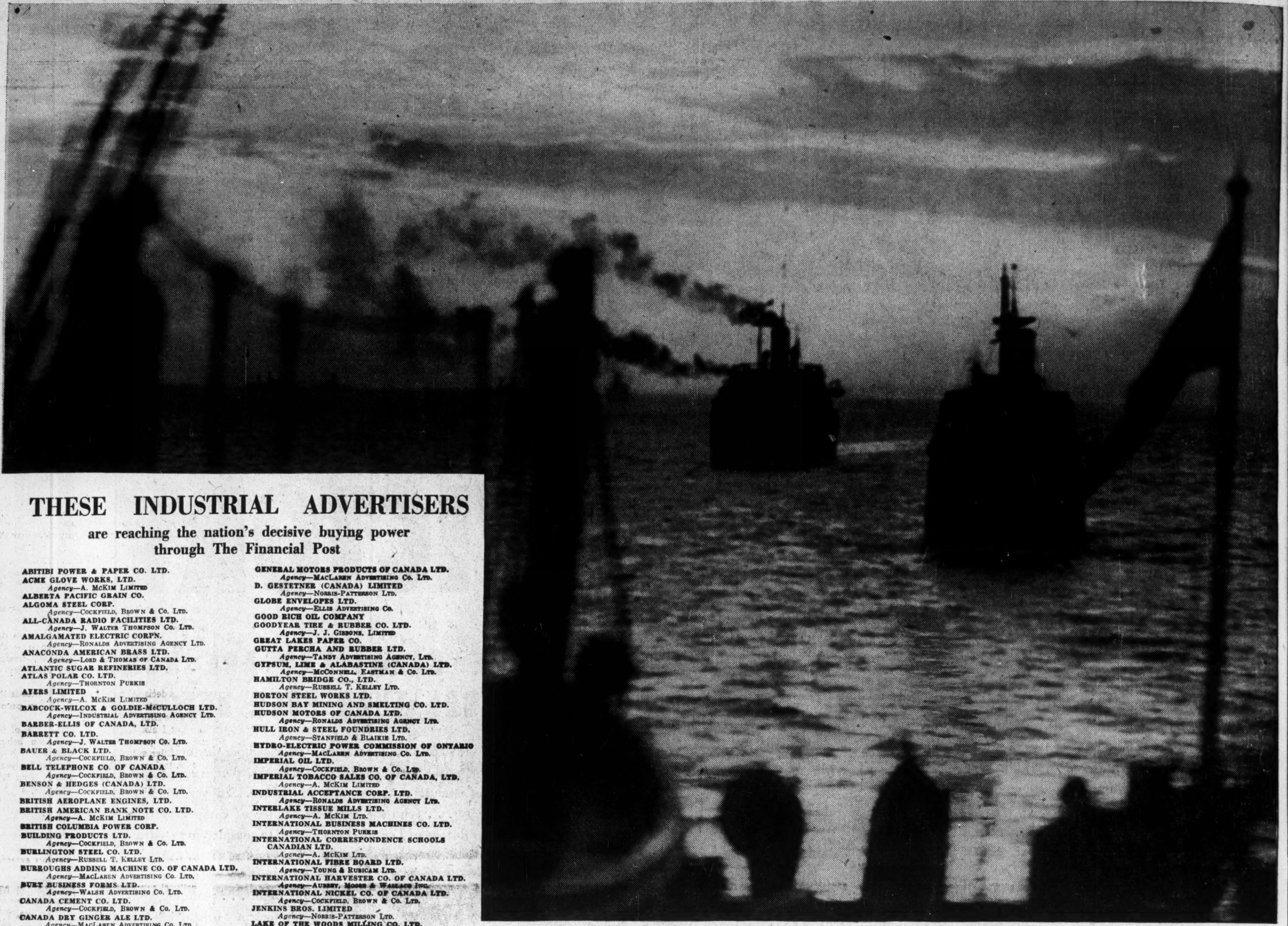
MONTREAL. — Gross revenues of Canadian National Railways system for the week ended May 7, 1941, were $5.8 millions. This compares with $4.6 millions for the corresponding period of 1940, anincrease of $1.2 million, or 25.9%.

The preceding week this year showed a gain of 40.78% and all of April one of 39.53% on the basis of weekly figures.

## Farm Implement Sales Rise 40% in 1940

Sales of farm implements in 1940 rose 39.7% over 1939 to total $47.6 millions against $34.1 millions. The figures, reported by the Dominion Bureau of Statistics, relate to the sale of new equipment and machinery only, exclude sales of parts, binder twine or motor trucks. About 43% of the gain was in sales of tractors, which rose 60% in number, 40% in dollar value.

Gain was most marked in Saskatchewan, where cash farm income is estimated to have risen 71%. The increase in sales in Saskatchewan amounted to 80%, compares with gains of 16% for Manitoba, 14% for Alberta, 78% for British Columbia, 42% for Ontario, 37% in Quebec and 34% in the Maritimes.



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*(Quoted by Winston Churchill from Arthur Hugh Clough's poem.)*

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## Leader of the Anti-Hitler Fifth Column Writes—

# Germany Between Hope and Fear

By DR. OTTO STRASSER

(Copyright)

### Who is Otto Strasser?

Today, he is the man Hitler wants most to kill unless perhaps Rudolph Hess has gained that "distinction."

Dr. Strasser is head of the Black Front, the secret band of Germans working in and out of the Reich for the destruction of Hitler and Hitlerism.

And the long trail of escape from the Hitler Gestapo that started back in March, 1933, when he crossed the Alps into Austria on foot has finally brought him—always the hunted one—to a carefully guarded address in Canada.

Born in 1897, son of a minor government official—like Hitler—Strasser served with the German forces in the first Great War, became an officer and on recovery from desperate wounds, he was swept into the political ferment that boiled in Germany in post-war years.

It was his brother, Gregor Strasser, who was one of the chief founders and first heads of the National Socialist Party, under that leadership a completely different political programme from what it became under Hitler.

It was Gregor who finally yielded party leadership, who became Hitler's aide. Also it was Gregor who died by Gestapo bullets—murdered in cold blood—in 1934. It was Otto who became the Nazi's No. 1 enemy.

In 1930, Otto Strasser began his Black Front, the amazing Fifth Column within Germany, the only anti-Hitler group which the Gestapo has not apparently been able to stamp out.

The famous author, Douglas Reed (Insanity Fair, etc.) has recently devoted an entire volume to the life of Strasser: "Nemesis?" Describing the success of the Black Front, he writes:

"I have seen a letter written to him (Strasser), in exile, by one of the leading SS commanders of today, a man famous and popular in Germany, and this letter breathes a fierce hatred of Hitler. I have seen other letters from officers now serving the Reichswehr. Through these invisible channels of information, Otto Strasser was able to look into Secret Police headquarters in Berlin itself, to read the report made by a man sent to kill him . . . He knows the contents of his own dossier at Gestapo headquarters."

Twice, Strasser has escaped with his life because the killer the Gestapo sent to dispose of him was a Black Front man, says Reed.

The Financial Post, in publishing this article from his pen, desires to point out that the views expressed are those of Dr. Strasser.

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Since the beginning of this year I have received approximately 30 letters from the Reich. They came from widely different quarters, not only from followers of the "Black Front," my own group fighting Hitler within Germany, but for a large part also from officers of the army, from state functionaries, and partly even from leading members of the Hitler Party.

I believe therefore that I am entitled to form from these letters a pretty true picture of the present mood of the German people, and of how they think on various problems. And these views reflect not only conditions of life and work within the Hitler Reich. They are particularly important as revealing the spiritual and moral attitude of the German people after eight years of Hitler tyranny.

Common to all letters is the unshakeable conviction of the ordinary people that the war will be finished this year. And the vast majority of them confidently count on a German victory. Again and again, in many variations, the sentence is to be found: "Next fall (several letters say even summer) our soldiers will be back home and all distress will have an end."

This confidence has something convulsive in it. It reveals the moral fatigue of the German people. The German people are like a man who has behind him a long, long march with heavy baggage, suffering hunger and thirst and privations of all kinds and now hopes that he has to hold out "only half an hour" to the goal. The German people are worn out mentally; they are tired of trying to be iron-willed as Hitler demands.

How strongly and generally this idea is spread among the German people can best be seen from the attitude of Hitler and the official tactics of the Propaganda Ministry.

### Binding Promise

It was Hitler who, in his New Year's Proclamation, gave the German people the binding promise that the war will be finished in 1941 "with the greatest victory of all times." Goebbels stresses this short-term holdout at every opportunity. The letter of a high Party functionary even intimates that it is Goebbel's intention to nail Hitler down in this respect.

Early in April Goebbels told the foreign correspondents in a press conference that Germany would win the war this summer and expressly repeated Hitler's New Year's promise. For Hitler and Goebbels know very well that only in this hope are the German people still prepared to keep plodding along the agonizing road. And remember this Via Doloroso of the German people was commenced not Sept. 1, 1939, but on Jan. 30, 1933.

It might seem a contradiction that this fatigue is coupled with the hope of victory. But this is only a seeming contradiction.

It is just because the German people are so tired that they cling to Hitler's promise of victory as a sick man relies on the word of the doctor that he will soon recover.

Thus the convulsive hope of victory is psychologically a proof of the lack of moral reserves in the German people. That is why Hitler is compelled to state abnormally low figures of losses. The German people cannot, would not stand higher figures, or the truth.

The flight of Rudolph Hess from German officers, in my opinion, is a sensational confirmation of news that I have been getting from inside Germany for some months past.

First, that German morale is being sustained only by the hope of victory this year.

Second, that there is a bitter inner struggle going on for control of Germany. It is a fight to the death. The protagonists are, on the one hand, Hitler and the inner group of the Nazi party and on the other hand Reichsmarshal Hermann Goering, the Prussian generals, the leading industrialists and bankers.

### Quarrel Scouted

I do not for one minute believe that Adolf Hitler and Rudolph Hess have quarrelled. No greater loyalty and personal friendship could have been felt by two men for one another than that which existed between Hitler and Hess.

In Germany they were described by a familiar slang phrase that can best be translated into English as "buddies." Hess was for years Hitler's private secretary, his companion in prison and his close associate in the years of his rise to power.

Only Heinrich Himmler could be regarded as holding for Hitler a devotion and personal loyalty such as was displayed at all times by Rudolph Hess.

Why, then, has Hess fled Germany? Time will reveal the answer, but I am confident that Hess has read in the handwriting on the wall the collapse of Nazism, the purging of Hitler and his associates, and the seizure of powers by the Prussian generals, with Goering as the popular leader to replace Hitler. He has got out of Germany while the getting is good. He has fled to escape prison or worse; to save his own skin.

The quarrel between Hitler and the generals—between the Army and the Party—is now raging acutely. We have had evidence of it before: but always Hitler and the army chiefs have been able to patch up their differences superficially and work together in their joint plans for world conquest.

On the side of the Prussian generals stand many of those who were foolish enough to think that in support of Hitler they could rebuild Germany and protect it from Bolshevism—the industrialists of the Thyssen and Krupp school, the banking groups, the big landowners. Their representative in the Nazi hierarchy has always been Goering, not Hitler.

In the days of friendship — Hess and Hitler.

The army chiefs have abandoned any hope of final victory in this war. They realize that the victories Hitler's legions have won are tenuously held; that land victories are useless without victory over the British Navy; that with the marshalling of the armed might of the British nations and the industrial might of America, Germany is doomed to defeat.

We may expect peace feelers soon. Hess has not brought peace overtures to Britain. He does not speak for the army. It is hardly likely that they would use him as their emissary or tool.

Here is the form I think the peace overtures will take. The army chiefs will offer a negotiated peace. They will undertake, as a guarantee of good faith and as a preliminary to the conversations, to liquidate Hitler and all Nazi extremists.

I believe that Hess knows of this new unity of powerful groups in Germany against Hitler. He must see that the days of the Nazi extremists are numbered. He has decided that he will not be in Germany when the blood purge of June 30, 1934, is repeated, but this time with Hitler and his blood-stained tyrants as the victims.

In at least one respect Hitler has again been lucky. The Balkan war gave him an opportunity for impressive victories.

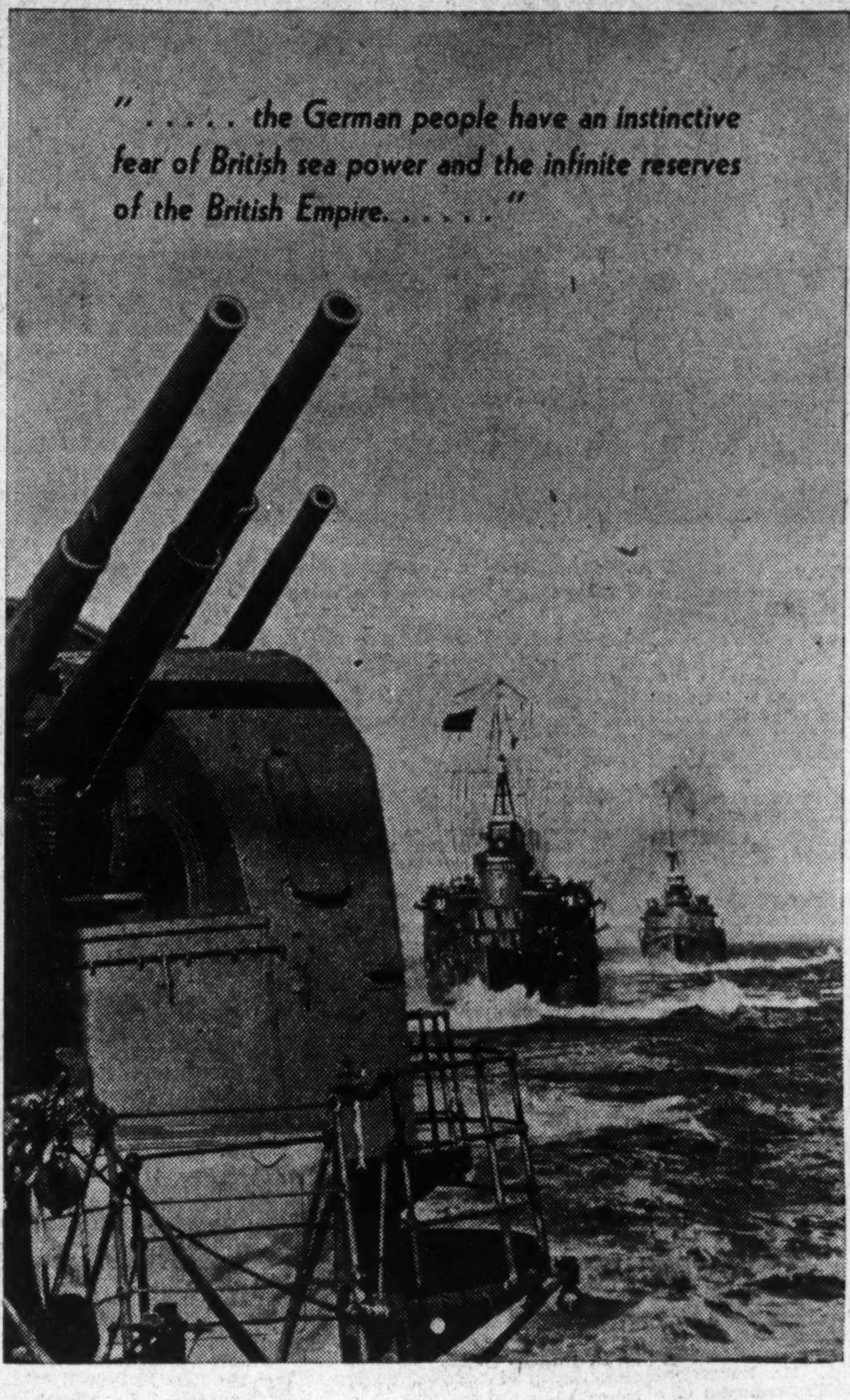
### Significant Comments

Only the very latest letters speak of the victorious Balkan war, but these comments are extraordinarily significant.

For they show that the Nazi victories in the Balkans have by no means made as strong an impression in Germany as they have, for instance, in America. The German people, and especially the German officers, know too well that once before Ludendorff was in Sofia and Belgrade; yet Germany lost the war. They know, also, that Ludendorff was once in Constantinople and Damascus. And the German General Staff remembers very well the two battles of Kut el Amara, the first an enormous victory for Germany — a victory more than wiped out by the second battle.

That is partly why the news of victory from the Balkans does not impress the German generals as much as it does the rest of the world. And the same thing applies to the impending offensive in Asia Minor and North Africa. As a matter of course, the generals are confident these will add to the list of victories. But at the same time, they have no confidence that the war will be won by them.

On land the German people consider themselves invincible. But the German people have an instinctive fear of British sea power and the infinite reserves of the British Empire, above all of India, Canada, Australia and South Africa.



*" . . . . . the German people have an instinctive fear of British sea power and the infinite reserves of the British Empire. . . . . "*

Only a few letters I receive dare to give an answer to the question as to how final victory will be won by summer or by fall. It isn't fear of the censor which causes this restraint (for many of my letters come via an uncensorable route). It is the inability to form a clear idea.

But as far as the question is asked and answered, it is generally contended that after the expected victories in the Mediterranean and in Asia Minor, "the last offensive" will be made directly against England. That means the total invasion.

It is interesting in this connection that a report which comes from army circles is filled with the greatest possible scepticism.

The German Navy says that outright invasion is impossible and declares that perhaps the Luftwaffe and the army might solve this problem, but not the Navy.

### Army Fears the Sea

The Army, for its part, shares the German people's nervousness of the sea and declares that it cannot guarantee the success of an invasion without safe sea communications. It tries to devolve the responsibility upon the Navy and the Luftwaffe.

Last year the Luftwaffe was completely sure that it would succeed in obtaining absolute control of the British sky and thus not only cover the invasion but also reinforcements. After the bloody experiences of August and September, 1940, Goering's bombastic self-confidence is not shaken, but more sober men do not share his faith.

I, who know Hitler's character and his internal position, have no doubt whatever that Hitler will attempt the invasion this year—because he must attempt it. Hitler knows very well that the morale of the German people cannot stand a new war winter. He also knows that an invasion in 1942 would be 10 times as risky and difficult for him as in 1941.

But, I repeat, the average German still believes in a successful invasion. But, I also repeat, the leading circles of the Army and especially the Navy see an invasion of England as Hitler's Waterloo; his Battle of the Marne.

In addition to an instinctive fear of a jump across the Channel, it is especially the fear of America which fills the subconsciousness of the German people with apprehension and the Prussian generals with gloomy forebodings.

### U. S. Belittled

With all the means at its disposal, the Goebbels propaganda endeavors to prevent this fear from appearing on the surface—by not speaking at all of America, or by belittling it.

But Goebbels has learned from the last war. Then the might of America was minimized. Goebbels does not dare try that angle today. He well knows that the German people have gigantic respect for, and considerable knowledge about, the inexhaustible productive forces of America from 1917-18 and its growth since then.

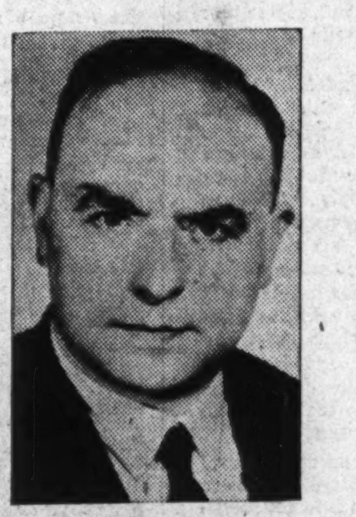
Goebbels' method of belittling is therefore much cleverer. He does not minimize the might of America. He simply says—and keeps repeating—that it will be used too late to save England. (It is extremely significant that the Lindbergh propaganda in the United States is exclusively based on this clever Goebbels argument which has its psychological effect upon weak minds in America quite the same as in Germany.)

This is another demonstration of the propaganda which tries to convince the German people that the end of the road is near.

The incessant use of this propaganda theme is of the greatest significance in case the invasion fails and, thus, a Hitler victory is out of the question, not only for 1941 but for good. In this case the "It will soon be over" propaganda will have the directly opposite effect on the German people. The artificially created and maintained will suddenly collapse. It was recognition of this very real danger which caused Hitler in his Reichstag speech of April 4 to move the date of complete victory farther away. But at the same time he still saw himself compelled to declare the year 1941 as decisive.

In its effect upon the morale of the German people America's entry into the war would almost equal the failure of invasion.

It may surprise some that I stress so strongly the morale situation of the German people and ascribe such an outstanding importance to this point. But one who really knows German conditions and, apart from that, has a clear idea of the military possibilities of both sides, must agree with me that the decision in this war will be ultimately and decisively determined on the battleground of morale.



Otto Strasser

Hitler knows this well and, in his latest Reichstag speech, he tried to soothe his own apprehensions by shouting into the meeting that Germany is superior to her opponents both in the sphere of arms and of morale.

During the whole war I have not had a single letter from Germany which gave any indication that the food or the raw materials position would lead to a collapse of Germany. On the contrary, it is obvious that the planned economic preparation of this war has put Germany in a far better position than in the last war. Even the official rationing figures show that the German people are not worse fed than those of Switzerland or England, for instance, and much better than people in Spain or unoccupied France. Remember, however, that the German people have had to suffer these privations not for months but for many years.

The raw materials problem is the same, especially the oil problem, which many of the experts on this continent have exaggerated. The economic support of Russia, the war consumption which remains far below estimates, the drastic and effective civil curtailments, etc., have brought about a situation in which the raw materials problem, including oil, shows no sign whatever of acute emergency. Nor does it permit expecting one during the next two or three years. This does not mean that there is not already a tangible shortage of certain replacement materials. But this affects the quality more than the quantity of production.

Equally favorable, or even more favorable, than the food and raw materials situation is the question of fresh recruits, which, during the last war, became more difficult from year to year, and from 1917 on, visibly led to catastrophe.

But these very facts give morale its decisive importance. For — I repeat — the economic and military strength of Germany are coupled with extraordinary weaknesses of morale.

The decisive cause of that weakness is the inner contrast between the German people and the Hitler system.

But I also know that at most 10% of the German people are by conviction behind the Hitler system, while at least 10% have, with the same force of conviction, for years fought against the Hitler system. And 80% of the German people are "unpolitical" and follow the victor. This, exactly, is the decisive reason why Hitler has needed a victory every six months since his accession—to keep those 80% loyal to his disliked dictatorial system.

As long as Hitler, through the weakness of the democracies, could reap his external political successes year in and year out, and as long as during the war—through the deficient preparation of the democracies—he can obtain military successes, the unpolitical 80% will, more or less loyally, go with the 10% Hitler followers.

### Swing of Support

But the moment Hitler suffers a visible military failure which takes the confidence of victory from the German people—that moment the same 80% will more or less quickly turn toward the 10% Hitler opponents, including the corresponding parts of the army.

The second cause of the moral weakness of the German people is their bad conscience. The German people well realize that they have done a grave wrong to the Czechs, the Poles, the Norwegians, and so on, whose best elements are doing nothing that any decent German has not done and would not do: fight for national freedom.

United as the German people were with Hitler in condemnation of the Versailles treaty, equally much they separate themselves from Hitler's present policy of subjugating other peoples to Germany.

One result of this bad conscience is the much greater sensitivity of the German people to air bombing.

There is not a letter from Germany which does not speak with horror of British bombing and which does not give descriptions of the excitement caused by alarms. This is all the more strange since the air attacks on German cities are relatively rare and harmless, compared with the sufferings which England and the English people have to undergo.

But it is possible to foresee the effect which may be expected when once the R. A. F. is strong and relentless enough to repay bomb with bomb.

I venture to say that the German people (out of their bad conscience) could not take half the blows which the English people (out of their good conscience) have been taking so magnificently for months.

To sum up: the German people are wavering between hope and fear; hope for victory in the summer or, at the latest, the fall of this year; fear of a failure of invasion, fear of the entry of America, fear of British air reprisals.

### The Turning Point

The turning point on the battlefield of morale will probably come in the fall of this year, after the abortive invasion attempt. If by then British policy will at last give the necessary attention to the factor of morale, the revolution in Germany will begin within three months and the revolution alone can bring the victory of the democracies.

Theoretically, it is possible that Hitler may not take the step of invasion which he himself recognizes as extremely dangerous, and that he confines himself to the sea and air blockade of England. In this case, the internal position of Germany would be fundamentally the same: the German people would lose their faith in victory and become susceptible to revolutionary work from within. But, of course, an open and visible military failure by Hitler would produce the result more rapidly.

# Overlapping Costs Same as 80 Fighters

## Telegraph and Express Companies Show Much Duplication

**Staff Writer, The Financial Post**

Waste, in the form of overlapping telegraph and express facilities, is costing this country enough money in any one year to buy 80 fighter planes.

Based on official estimates previously made of possible savings accruing from amalgamation of telegraph and express companies, Canada could have saved approximately $2 millions in 1940—more in 1941.

Sharply rising earnings and preoccupation with the prosecution of war has lulled to rest, temporarily at least, agitation for further cooperation, foundation for which was laid by the Canadian National-Canadian Pacific Act of 1933. But importance of economy is more evident now than when talk of rail unification originated.

### Merger Held Practicable

Expert testimony given at probes of the past decade indicates amalgamation of express and telegraphs—outside the orbit of the wider proposal of railway unification—is both practicable and desirable.

If a merger were effected more than half the saving would be experienced within the first year of consolidation. It would be consummated without moving onto the contentious ground of complete railway merger.

The picture of express and telegraphs in the Dominion is replete with ludicrous examples of duplication.

Take the case of the Mount Royal Hotel, Montreal. Here both Canadian National and Canadian Pacific Telegraphs operate offices. They are adjoining, separated only by a handrail.

### Extravagance of Duplication

The hotel has approximately 1,000 rooms and accommodation for 1,300 guests. Even under the busiest circumstances either of these offices could handle peak traffic emanating from the hotel with ease.

Because of the competitive factor both companies maintain offices at little, if any, profit. Safer assumption is that both operate at a loss. One might show a profit.

In about 350 points across Canada substantially the same situation prevails. From these competing offices about 90% of commercial telegraph business originates. There are about 3,500 to 3,600 telegraph offices of all descriptions. If consolidation were effected it is probable that nearly half the duplicate offices could be eliminated.

### 1934 Plan Dropped

Take the case of express companies.

In one city 200 pick-up trucks of the two organizations daily cover the same routes, picking up parcels. By eliminating overlapping it is probable 135 vehicles could do the same job without lessening quality of service.

The Dominion seriously considered merging these two facilities in 1934. Dr. R. J. Manion, then minister of railways, announced intention of introducing a bill into the House of Commons providing for amalgamation of express and telegraphs. Later he withdrew the bill.

Withdrawal is generally laid to the pressure of labor against the measure.

### Two-company Control

Express and telegraph business in Canada is largely in the hands of Canadian Pacific and Canadian National Railways. C. N. R. express traffic is handled as a department of the railway and gross revenues are included in the system's gross earnings.

Plenty of pulchritude in the thousands of competing telegraph offices across Canada, but not enough business, says this article.

Canadian Pacific Express Co. is a subsidiary organization which pays express privileges to the railway. Its revenues and expenses are included under miscellaneous operation of the system.

The situation in regard to telegraphs is much the same as with express. Bulk of Canada's telegraph business is shared by the two companies.

History of amalgamation proposals dates back to predepression days, when it was realized traffic could not support the weighty network of rails erected in development of the Dominion.

Apparently the possibility of tackling the question of railway express and telegraphs independently existed in minds of officials as far back as 1930. S. J. Hungerford, president of Canadian National Railways, was first officer of either company publicly to suggest pooling of telegraphs and express.

Testifying before the Duff Commission in 1932, he suggested formation of holding companies for express and telegraphs, with C. P. R. and C. N. R. owning proportionate amounts of stock and a common administration in new companies.

Certain joint terminals had been operated successfully by the two railways for many years, notably that at Toronto. Mr. Hungerford pointed to these as examples of a satisfactory joint endeavor and stated he would like to see the principle extended.

### Cleavage of Views

While both railway officials agree that savings could be made, there has been a marked cleavage of opinion as to how best results could be obtained.

Canadian Pacific Railway officials have consistently favored unification.

Originator of unification proposals, C. N. R. has vacillated.

S. W. Fairweather, chief of C. N.'s economic bureau, stated he did not regard merger of the two services as practicable for technical reasons.

The late T. E. McDonnell, former president of C. P. Express, declared he considered independent merger feasible.

The C. N. economic bureau head advocated consolidation of express and freight facilities.

### Estimates of Economy

C. P. R. officials estimated under unification saving to express companies would be $1,450,000 annually. This estimate presented the extreme view.

Mr. Fairweather estimated possible saving of $750,000 from consolidation of express services.

Report of a joint committee of C. N. R. and C. P. R. officers, formed to carry out provisions of the C. N.-C. P. Act of 1933, found saving of $1 million could be brought about by consolidation.

Meeting place of the two divergent views is apparently in the committee's estimate, which considered consolidation of both express systems feasible and desirable.

Economy in the current year would probably be greater than the $1 million estimate because of greatly increased traffic.

### Would Streamline Telegraphs

In the field of telegraph communications consolidation offers more than wartime possibilities.

For years telephone and telegraph companies have been keen competitors. Air mail has entered the highly competitive field. Competition between telegraph companies themselves has been most serious.

Elimination of competition within the industry itself would enable it to present a solid front to competition of new media. Unified service would not be less efficient than under the present system. In fact, it is contended it would actually improve.

What savings would accrue if the government-owned and private telegraph systems were pooled?

S. W. Fairweather, before the Senate rail probe, estimated $600,000 savings annually from merger. Other estimates ran higher. Canadian Pacific Telegraph officials set the figure at $1 million for both commercial and railway service departments.

### No Bar to Union

No evidence was offered to disprove the reasonableness of consolidation. No insuperable barrier exists to fusing the systems, according to expert evidence.

Mr. Fairweather advanced one reason that might affect pooling. A portion of Canadian National Telegraphs properties are leased from Montreal Telegraph Co. As a prelude to consolidation it would be necessary to enter into an agreement with that company. He added negotiations were opened to acquire the company's capital stock, but were terminated unsatisfactorily.

H. E. Rawlings, president of Montreal Telegraphs, countered that Mr. Fairweather's evidence was misleading in that his company was willing to listen to any proposal that the Government might make.

### Labor Important Factor

Throughout the whole problem of consolidating express and telegraph services, kingpin of the situation is labor. A substantial number of employees are involved.

At the end of 1939 there were 4,659 employees of Canadian National and Canadian Pacific Express companies, according to the Dominion Bureau of Statistics. There were 2,396 in C. N. and 2,263 in C. P.

The two telegraph companies employed 5,062 persons—2,668 in C. N. and 2,394 in C. P.

No evidence has been offered to suggest that there would be wholesale displacement of these workers. On the contrary, there was impressive evidence that merger of the two services would involve no labor displacement.

### Holds Displacement Nil

The late T. E. McDonnell calculated that taking 1937 as a base year, retirement on pension, resignations, deaths, dismissals, etc., would more than compensate for labor displaced by merger in the period from 1937 to 1942. Further, he assumed that C. N.'s experience would be substantially the same.

Since 1938 there have been important changes in the situation. With employment at a high peak displacements which might occur could be absorbed in other departments of the railway or in other industries.

According to D. L. Howard, vice-president of Canadian Pacific Telegraphs, effect on labor would be virtually nil. He estimated before the Senate rail probe that if consolidation had taken place between 1933 and 1937 labor would not have been affected in any way.

### Speedy Saving Possible

Consolidation of facilities would take five years to complete, according to this source. This would apply to complete merger of the companies, but a substantial portion of the project could be carried out within one year's time.

Additional information on repercussion amalgamation might have on labor may be gathered from report of the Federal Communications Commissions filed recently with the United States Senate Committee on Interstate and Foreign Commerce.

The report recommended the merger of Western Union and Postal Telegraph Companies into one unified system. In reviewing implications upon labor the report said society no longer shirks the unemployment problem which might arise through unification. In fact, the Commission states that "when any consolidated enterprise emerges, it may be found that many of the initial duplications of employees would have eliminated themselves due to continuing action of causes ordinarily producing turnover of employment, and by possible expansion of services. As a result, the problem of unemployment may not be as large as feared initially."

### Post-war Benefits

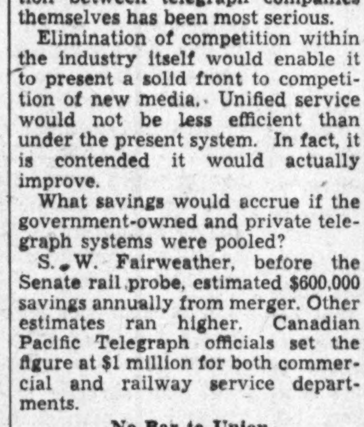
There is little doubt that major objection to consolidation is potential labor displacement. But labor demands maximum economy from the government for successful prosecution of the war. If evidence on the subject stands investigation, labor objections to consolidation cannot be considered valid. Benefits from consolidation would accrue to it as much as to other parties involved.

Piecing together evidence on the economy to be derived, the $2 millions estimate appears conservative for the current year.

Weight of evidence points to a short and long-term improvement in both express and telegraph operations. A pattern for further unification schemes would be drawn.

The measure would assure economy for wartime as well as peace, when artificial war stimulus to rail traffic and telegraphs will have disappeared.

Meanwhile the duplication of services is costing this country the equivalent of 80 fighter planes annually.



### *JOINS EXCHANGE*

Ewart R. Angus, senior partner of Angus & Co., Toronto, has been elected a member of the Montreal Stock Exchange and the Montreal Curb Market. Mr. Angus is a director of The Legaré Company, Naybob Gold Mines Ltd. and Bomac Electrotype Co. He started in the security business with Wood, Gundy & Co. and later became a partner of Matthews & Co., forming his own firm in 1934.

# *Canadian Grocer's Part in Our Wartime Economy—*

An army, it is stated by military men, marches on its stomach. Food is just as important war material as battleships, war planes, tanks, guns.

Canada is the chief supplier of food to the British Empire forces and is growing in importance.

Canadian Grocer covers the food industry, and one of its chief functions in wartime is to interpret to distributors the various Government orders and restrictions that are felt necessary for the successful prosecution of the war.

Sugar Control is one example.

Immediately after war broke out when many feared a sugar shortage, Canadian Grocer published an exclusive article with facts and figures showing there was no danger of this inasmuch as world production was much greater than at the end of the 1914-1918 war. This article was of great assistance to the Government as it helped to stop panicky buying by allaying the fears of the trade and through it the consumer, that there would be any permanent shortage. Canadian Grocer also analyzed, as no other paper had done, the significance of the appointment of a sugar comptroller.

**Market Reports**—Canadian Grocer is giving its readers authentic information on markets and market trends which enables them to buy to best advantage, with a corresponding saving to the consumer. It is the only publication of any kind in Canada giving a comprehensive food market service. Its market summaries showing foods available and price trends have been reprinted in newspapers all over Canada. These papers would not use this material if such a service were available elsewhere.

Canadian Grocer is helping to foster export trade—important in view of loss of markets due to the war—showing through the reports of its own representatives, interviews with businessmen and trade commissioners, where new markets exist and how to go after them.

Canadian Grocer's news pages illustrate how distributors operate to keep overhead costs to a minimum so that they can sell at lowest possible prices based on the service rendered.

Canadian Grocer aids in the marketing of our agricultural and fisheries products by showing through displays and news articles how aggressive grocers are moving them into consumption. Canadian Grocer has been visited a number of times by Government representatives, soliciting its help in the disposition of surplus fruits.

Canadian Grocer gives its readers the underlying food facts that provide businessmen with a barometer by which they can make, with a greater degree of safety, plans for the future.

The above is one of a series of articles running in The Weekly on war work of our publications. Articles have appeared in previous issues on "Chatelaine," "Canadian Machinery," "Hardware and Metal," and statements from other papers will follow.

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**Pulp and Paper Industry**

# Consuming Timber Faster Than Growth

## "Now a Profitable Investment to Plant Trees in Canada," Declares Dominion Government Forestry Survey, Predicting Increasing Scarcity

**From Our Own Correspondent**

MONTREAL.—Canada has about 600,000 square miles of accessible timber growing, according to official Dominion Government estimates.

An average annual increment of 10 to 11 cubic feet per acre is quite possible under proper forest management and this would cover the present average annual depletion, according to the forestry branch at Ottawa.

"There is little evidence that this increment is being produced at the present time throughout Canada, although particular areas are producing in excess of this quantity," is the conclusion, however, after considering the destruction of young growth which occurs and the deterioration of the forest and soil caused by repeated fires and by insect and fungus damage.

### Estimating Forest Life

Estimating the probable duration of Canada's supply of forest products is not a simple matter. Rate of utilization is far from constant, tending to increase with the discovery of new uses for wood, gains in population and higher demand for forest products from other countries whose supplies have been reduced to a greater extent than our own. Destruction from fires and other agencies is also very uncertain, with the fire hazard tending to increase with growth of population and extension of settlement, unless met by proper measures. During recent years forest fire damage in Canada has been materially reduced by favorable weather conditions and improved methods of detecting and fighting forest fires.

This official estimate of the rate at which Canada's forests are being depleted annually shows that total forest production in 1939 involved the cutting of 2,824 million cubic feet of standing lumber. As this is only the depletion for actual use, to it must be added the volume of merchantable timber destroyed by fire, which has averaged 304 million cubic feet over the past ten years, and young growth of various ages, estimated to be equivalent to 264 million cubic feet. At least another 700 million cubic feet is destroyed annually by insects, fungi and windfall, making the total drain on Canada's forest resources in 1939 approximately 4,093 million cubic feet.

Placed against this is the latest available estimate of Canada's forest resources at 273,656 million cubic feet of standing timber. This is made up of 425,250 million feet board measure of sawn lumber and 1,746,639 thousand cords of pulpwood, ties, piles and other smaller materials.

### Higher Prices Coming

Coming back to the conclusion that Canada as a whole is not growing enough forest products to offset the annual depletion from all causes, the report points out that the increasing scarcity of wood will result in higher prices and tend to limit consumption.

It is stated that:

"It is now a profitable investment to plant trees in Canada under certain conditions and the regeneration and management of forest lands will become increasingly profitable as supplies decrease and prices advance, but before this regeneration and management can posisbly result in forest crops sufficient for our needs, we will pass through a period of lean years whose duration and intensity will depend entirely on how soon and how effectively we apply scientific management to our remaining forests."

### Pulpwood Leads

Pulpwood is the most important forest product in Canada, with a total of over $58 millions. It heads the list in Quebec, Ontario, New Brunswick and Nova Scotia. In British Columbia logs and bolts lead the list and come second for the whole Dominion with a total value above $55 millions.

Third on the list of value of forest products comes firewood, with $33 millions. This product leads in Manitoba, Alberta, Saskatchewan and Prince Edward Island. Quebec heads the list for volume of forest production and leads in quantity production of pulpwood, firewood and fence rail, as well as being second among the provinces for quantity production of a number of other items. British Columbia follows Quebec as the second most important province for volume of production, with Ontario and New Brunswick following next.

Exports make up a particularly large proportion of the forest industries. Of the sawn lumber manufactured, about 42% was exported, with a large part of this being further manufactured before shipped. About 22% of the pulpwood cut was exported before being manufactured into pulp but of this 86% was rossed, or barked, with a considerable increase in value. The pulp and paper industry used 78% of Canada's total cut of pulpwood as its principal raw material. In making pulp, first stage in this important manufacturing industry, value added to the raw pulpwood by manufacture amounted to over $50 millions in 1939. Seventeen per cent of this pulp was exported and the remainder made into paper in Canada, with a value added to the pulp of almost $103 millions.

### Economic Loss

Regarding the net position with regard to exporting or manufacturing in this country the forest products, the official report states:

"The economic loss to Canada involved in the exportation of unmanufactured ore and completely manufactured forest products for further manufacture in other countries is a serious matter, but the loss was relatively small in comparison with our total forest production in 1939. The loss was most serious in connection with the exportation of the approximate equivalent of 25,186,000 cubic feet of rock pulpwood, 72,441,000 cubic feet of saw logs and some minor unmanufactured products, making a total of about 100 million cubic feet of standing timber, or less than 4% of the cut in 1939. The loss involved in this connection is partly offset by the importation into Canada of similar unmanufactured products for use as raw materials in Canadian mills."

# U. S. Paperboard Output At 85.4% Capacity

**From Our Own Correspondent**

MONTREAL. — Production of paperboard by mills in the United States in March, 1941, amounted to 485,578 tons, or 85.4% of the rated capacity of the mills reporting. With the exception of October, 1939, this is the highest output since the war started.

For the first three months of 1941 U. S. paperboard producers have turned out 1.4 million tons, or 81% of rated capacity. This compares with 1.2 million tons in the first quarter of 1940, or 70.7% of capacity. Unfilled orders at the end of March amounted to 252,611 tons compared with 202,284 tons at the end of February, and substantially ahead of any month since October, 1939.

# Nicaragua Aids Start Of Paper Production

**From Our Own Correspondent**

MONTREAL.—Nicaragua has decided to enter the paper manufacturing field, according to reports from that country. The Minister of Public Works has awarded the contract to make paper utilizing the country's forest products. Sufficient foreign capital is to be brought into Nicaragua to erect a mill large enough to provide paper for both domestic consumption and for export. The government has given liberal concessions, including exemptions in import duties and many taxes.

Canada supplied Nicaragua with newsprint paper valued at only $3,075 in 1939, latest year for which figures are available.

# New Paper Use Adds $3 Millions Demand

**From Our Own Correspondent**

MONTREAL. — The new fluorescent method of illumination has resulted in a demand for a special type of extra fine paper to the amount of $3 millions this year in the United States and Canada, according to an estimate published by the C. P. R. department of immigration and colonization.

This special paper is used in the condensers that this new type of light requires. It is so thin that 3,000 sheets make a pile about an inch thick and the extra care needed in manufacture of this paper brings its cost up to three times that of rayon yarn.

# Montreal Borrowings Drop to New Low

**From Our Own Correspondent**

MONTREAL.—A new low was hit in collateral borrowings of member firms of the Montreal Stock Exchange at April 30 last. Loans amounted to $4.7 millions, a decline of $214,803 from the previous low of just under $5 millions established at March 31 this year. As at April 30 a year ago loans amounted to $13.1 millions.

# Pulpwood Carloadings Up in Latest Week

**From Our Own Correspondent**

MONTREAL.—Contributing to the increase in revenue freight cars loaded on Canadian railways in the week ended May 3, 1941, was pulpwood with a gain of 26% over the preceding week and of 303% over the corresponding week of 1940. Pulp and paper carloadings for the latest week are down to 2,669 cars compared with 3,090 for the previous week and 2,595 for the corresponding week a year ago.

The cumulative total for 1941 shows pulp and paper carloadings up 5,654 cars over 1940 and pulpwood up 9,591 cars.

# Home-made Newsprint Used in Australia

**From Our Own Correspondent**

MONTREAL.—Initial publication on newsprint made in Tasmania is scheduled for this week by 10 metropolitan newspapers in Australia. First year's production from the new plant is scheduled to be 27,000 tons.

Altogether about £1.6 millions Australian is now invested in the new industry. At capacity production the output is estimated at 108,000 tons and to be sufficient to supply all of Australia's wartime newsprint needs. At that time total investment in the project will reach a total of £4 millions.

### INTER-STATE ROYALTY

**From Our Own Correspondent**

MONTREAL.—Inter-State Royalty Corp. has advised the Montreal Curb Market that the company's investments in oil royalties had book value of $1.1 million at Feb. 28, 1941. Gross revenue from royalty income since acquisition amounted to $480,376 to Jan. 31, last. Depletion reserve amounted to $130,325 at the same date.

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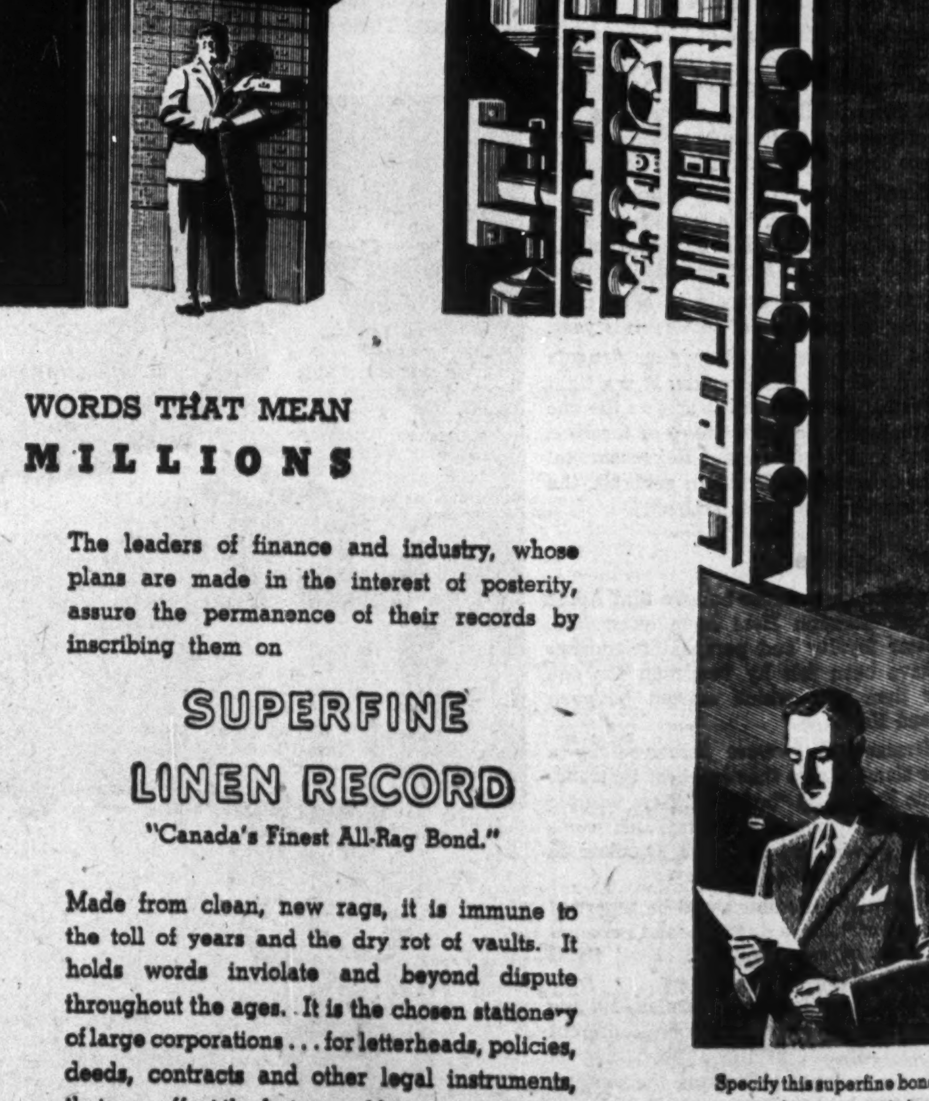
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp



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# How the Ilsley Ultimatum Hits Provinces

## Changes and Potential Changes of New Budget Greatly Speed Evolution

**By R. A. DRAPER**
**Staff Writer, The Financial Post**

The whip of the new Dominion budget has hurried the horse and buggy of provincial finance to the crossroads of war emergency. Having lagged along the road of passive resistance in the hope of by-passing the crisis facing them, the provinces now seem inexorably turned onto the highway of enforced sacrifice to meet the national need.

At the Dominion-provincial conference in January, chief opposition to a new financial deal on basis of the Sirois recommendations came only from three provinces, Ontario, Alberta and British Columbia.

British Columbia has expressed full readiness to co-operate. Ontario's Hepburn is making sounds which can be interpreted either as a yes or a no.

Implementing his thinly veiled threat issued at the dying moments of the Dominion-provincial conference in January, Finance Minister Ilsley in his third war budget laid before the provinces a new pattern for Dominion-provincial financial relations. He proposed a modification of the battered Sirois recommendations.

By the proposal the provinces would receive from the Dominion in consideration for abandoning personal and corporation income taxes:

1. Revenue the provinces and municipalities received from these two taxes in the year nearest Dec. 31, 1940.

Or:

2. Cost of net debt service paid by the provinces in the same year (excluding sinking fund payments), less revenue obtained from succession duties.

The second provision was made for New Brunswick and Nova Scotia which do not levy personal income tax.

To complete the picture of his new financial order the finance minister announced: a three cent a gallon tax on gasoline, Dominion succession duties, and cessation of annual special grants.

An integral part of the plan, but contingent upon acceptance of the scheme as a whole, the new federal gasoline tax is primarily a restriction upon consumption for preservation of precious U. S. dollars. It is not regarded as a revenue-producer, as the Dominion would guarantee the provinces an amount equal to that which they received from this source in the year nearest Dec. 31, 1940. The guarantee would ensure the provinces against declining revenue.

### Taxpayer Important Factor

In lieu of accepting the proposal, the provinces have the unpalatable alternative of entering into a one-sided contest with Ottawa for revenue. In event of such competition the taxpayer would be the immediate loser, and his certain reaction to an unbridled fight for his dollars would likely be directed mainly to the disadvantage of the provinces.

This appears to be final offer of the Dominion. The Ilsley budget in form and content had all the earmarks of an ultimatum.

Considered by itself, the proposed transfer of income and corporation taxes is far from unfavorable to the provinces.

Here is what the two taxes, income and corporation, netted the various provinces and is the amount they would receive from the Dominion.

**Years Nearest Dec. 31, 1940**

| | Inc. Tax | Corp. Tax |
|---|---|---|
| | —In $000's— | |
| Prince Ed. Island | 85 | 174 |
| Nova Scotia | .... | 1,464 |
| New Brunswick | .... | 1,083 |
| Quebec | 2,700 | 13,239 |
| Ontario | 6,000 | 24,125 |
| Manitoba | 2,060 | 2,556 |
| Saskatchewan | 441 | 1,488 |
| Alberta | 700 | 2,433 |
| British Columbia | 2,375 | 10,251 |

### Gain on 1940 Taxes

It is assumed all but Nova Scotia and New Brunswick would prefer the first proposal (income and corporation collections equal to 1940).

If the year nearest 1938 be taken as a normal peace year and one upon which fair comparison can be based, the following gain or loss between these two years is shown:

**Years Nearest Dec. 31, 1938**

| | Inc. Tax | Corp. Tax |
|---|---|---|
| | —In $000's— | |
| Prince Ed. Island | 51 | 167 |
| Nova Scotia | .... | 1,211 |
| New Brunswick | .... | 948 |
| Quebec | .... | 9,832 |
| Ontario | 6,897 | 12,296 |
| Manitoba | 1,919 | 2,119 |
| Saskatchewan | 360 | 1,265 |
| Alberta | 850 | 2,622 |
| British Columbia | 2,199 | 9,176 |

**Gain or Loss by Switch**

| | Inc. Tax | Corp. Tax | Net Gain |
|---|---|---|---|
| P. E. I. | +34 | +7 | +41 |
| N. S. | ...... | +253 | +253 |
| N. B. | ...... | +135 | +135 |
| Que. | +2,700 | +3,407 | +6,107 |
| Ont. | —897 | +11,829 | +10,932 |
| Man. | +141 | +437 | +578 |
| Sask. | +81 | +223 | +304 |
| Alta. | —150 | —189 | —339 |
| B. C. | +176 | +1,075 | +1,251 |
| Total net gain | | | 19,262 |

### Alberta Only Loser

Only Alberta of the seven provinces which would probably accept the first plan would lose in comparison with 1938.

Nova Scotia and New Brunswick would presumably enter into the second arrangement (assumption of net debt service). The former collected $1.4 million from corporation taxes in 1940. Net debt service, less succession duties totalled $2.8 millions in the same year.

New Brunswick paid out $3.3 millions in debt service after deduction of succession duties, and collected $1.1 million in corporation taxes.

It appears that all provinces with exception of Alberta would derive greater revenue in the current year from the exchange than in 1938.

Aggregate gain to seven provinces under the first scheme would be $19.3 millions.

It should be noted that the major portion of the increase in the two taxes from 1938 to 1940 resulted from war policies and logically should accrue to Ottawa. To the extent indicated the provinces are benefiting from "ballooned" revenue, not of their creation. If permitted, they would benefit to an even greater extent this year.

### Invasion Hurts Provinces

As part of the deal provinces are guaranteed equivalent of 1940 collections from gasoline tax. In 1938 this tax netted the provinces $41.3 millions. By 1940 it had risen to $53.1 millions, an increase of $11.8 millions.

Other phases of the Dominion plan are not so favorable to the provinces.

Dominion invasion of the hitherto exclusively provincial field of succession duties threatens a lucrative source of provincial revenue. Particularly in wealthy Ontario has this swollen the treasury.

Provinces permitting deduction of personal income tax payable to the Dominion before setting the provincial impost will find the increased federal impost shrinking payments. Offsetting this loss to an unpredictable extent would be broader employment and larger payrolls.

Ontario, Manitoba, Prince Edward Island and Saskatchewan allow this deduction and would be affected by the increased Dominion levy.

British Columbia and Alberta do not. They would also benefit from rising national income. British Columbia has already lowered its scale to prevent fortuitous gains from the tax.

Quebec sets its income tax at a given rate of the Dominion levy. It would therefore benefit from the Dominion rise. But the Godbout Government has pledged itself to avoid taking this added revenue into its treasury and presumably would scale its rates down again in the current year to conform with policy.

### Corporation Taxation to Jump

Jumping minimum "excess" profits tax from 12% to 22% will affect provincial yield from corporation taxes, but ascending industrial activity would result in greater revenue.

Likely the Dominion impost on gasoline will cut consumption and eat into provincial revenue from this source.

Elimination of annual special grants will work some hardship upon such provinces as Saskatchewan.

Another part of the programme is the Dominion's effort to arrange repayment of treasury bill loans of the four western provinces. These governments will find budgets strained to dig up the extra money for repayment to Ottawa.

### Ottawa Drops Aid

In 1941 the provinces will also have to struggle along without aid from Ottawa for unemployment relief. With record employment for this year, it is not likely to be a heavy burden. Quebec has followed Ottawa's lead and eliminated this expense.

In other taxation fields increased Dominion rates threaten to seriously diminish consumption and tax yield to the provinces. Liquor control profits for one will fall as taxation eats into the taxpayers' budget.

Acceptance of the plan assures the provinces of a known return on two important taxes at a better than average rate. By refusal they incur the risk of declining gasoline tax revenue; perhaps greater returns from corporation taxes but uncertain yield from personal income tax.

Effect in either case will be to enforce the long-forecast and long-delayed reshaping of provincial budgets for the duration of war.

In another field—that of borrowing — the differences between the provinces and Ottawa seem to have been satisfactorily settled. Magnitude of Dominion borrowings in the current year appears to have shut off almost completely money markets to the junior governments. Fortunately their refunding needs are relatively modest.

The changes and potential changes created by Mr. Ilsley's budget in Dominion-provincial relations are greater than years of peacetime evolution could have achieved. Three months ago adoption of the Sirois financial plan was a forlorn hope. Today it is nearer realization than its advocates dared hope at the collapse of the January conference.

# Your Investments

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### Winnipeg Electric

What is the current position of Winnipeg Electric Co. from the standpoint of earnings and outlook?

Winnipeg Electric Co. reported gross operating earnings of $7.3 millions in 1940, compared with $6.9 millions in 1939. Gross income totalled $3.7 millions, against $3.5 millions in the preceding year. Interest on the series A general mortgage bonds was earned by a moderate margin. This issue carries interest at 4% annually from 1935 to 1941, inclusive, and thereafter at 5% annually. The company is looking for good operations in its three utility units and revenues may be expected to continue their upward movement. Offsetting these higher operations to some extent, however, are increased operating expenses, larger provision for depreciation and taxation.

### C.P.R. Dividends

Is there any immediate prospect of dividends on C. P. R. common?

Payment of dividends on C. P. R. common in the near future does not appear probable. While it is true there has been a wide improvement in earnings and relatively substantial profits were shown on the ordinary stock last year, the general view is the company is likely to conserve its resources until outlook for its future operations becomes clearer than at present.

Traffic is currently at high levels but the postwar period might bring serious repercussions, and it has heavy maturities to meet in the next five years. With this contingency in view the company is following a conservative policy and consolidating its financial position as much as possible.

### Distillers-Seagrams

I am wondering why Distillers Corp.-Seagrams shows such large receivables and higher bank loans when its business is largely on a cash basis. What is the actual value of goodwill and trademarks of this company?

Business of Distillers Corporation-Seagrams Ltd. is not largely cash as you suggest. Examination of accounts receivable and sales over the past several years would indicate ratio of receivables outstanding at the end of the year to sales during the year has been over 10%. This proportion was increased in the 1940 fiscal year to about 18%, largely because of advanced buying in the face of impending increase in internal revenue taxes in the U. S. Increase in bank loan of $4.5 millions does not seem an unduly large amount in view of the $10.2 millions rise in accounts receivable.

There is no method known to us of ascertaining the realizable value of goodwill, trademarks and blends shown in the balance sheet at $10.7 millions. This appears to be a large amount, but it should be remembered that trademarks and goodwill are important merchandising assets to a liquor company built up with the aid of millions of dollars spent on advertising. The company has acquired numerous trademarks and blends in process of expansion, which have an intangible but nevertheless important sales value. Presumably these have been included as an asset on the basis of acquisition costs.

### Bad Debt Provision

Does the Income Tax Act set any specific amount that can be written off receivables in any one year?

There is no specific provision in the Income Tax Act which determines the amount that a trading concern can write off against its receivables in any one year. Ordinary practice is for the management to determine at the end of the year the probable amount of actual loss and then to set this aside as a charge against the year's operations. A number of years ago the Income Tax Act provided for a definite percentage which could be written off against receivables, but this is no longer the case.

### Montreal Tramways

Did Montreal Tramways Co. report any gain in revenues last year? Is the company meeting its bond maturity this year?

Operations of Montreal Tramways Co. were somewhat more satisfactory in 1940, with the company reporting gross earnings of $3.7 millions, compared with $3 millions in 1939. All interest and exchange was earned 1.4 times in 1940, against 1.2 times in 1939.

The company has stated that it will be unable to meet principal maturity on its 5% first mortgage bonds, due July 1 this year. It will continue to pay interest, however, until some scheme of arrangement has been agreed upon with the bondholders. The general mortgage bonds do not fall due until 1955.

### Trans-Canada Shares

Would you be good enough to furnish me with some information regarding Trans-Canada Shares?

Trans-Canada Shares is a fixed type of investment trust. Purchases are made of the stocks of 15 leading Canadian corporations. For each group of shares so purchased, 1,000 Trans-Canada Shares are issued. Dividends paid by the companies whose securities are held are accumulated and distributed each six months to holders of the trust shares. Last payment was made Dec. 1, 1940, for the six months ended Nov. 15 last and was at the rate of 22.87 cents a share. This brought total disbursement for 1940 to 54.67 cents a share. Returns to holders of these investment trust shares would fluctuate with distributions by the companies whose securities were held.

# B. C. Telephone Plea Admitted

## Civic Authorities Satisfied With Reason For Wanting Double Capital

**From Our Own Correspondent**

VANCOUVER. — The B.C. Telephone Co. application for doubling its $10 millions capital structure has encountered considerable opposition here from consumers' organizations, but it is considered unlikely that the protests will be effective.

Civic authorities are apparently satisfied with the company's explanation, and there is general recognition that the matter is one for the Transport Board to settle.

Efforts are being made here to obtain from the company a written undertaking that the new financing will not result in increased charges for the company's services.

Major James Hamilton, vice-president and general manager, states there is no intention to use any of the new capital for experimental work or to issue new stock now.

He states that $500,000 will be spent this year in Vancouver to meet development costs resulting from expansion due to public demand for efficient service, also that military requirements on Vancouver Island have been important in increased operating costs.

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# Company Reports

### Canadian Canners

As a result of the reduction in exports by Canadian Canners Ltd., operating profits in the year ended Feb. 28, 1941, were some $314,000 below the previous year. This was in part compensated by greater liquidity of current assets resulting from the more prompt payment for domestic sales. Bank balances increased to $1,358,685 against $211,682; investment in government bonds advanced to $148,125 from $60,000 while inventories, less reserve, dropped to $4,437,835 from $4,742,877 and accounts receivable fell to $1,615,708 from $2,245,383. Working capital was $150,000 higher on the year.

Additions to plant and equipment were necessitated during the year as a result of war orders. Property account rose from $13.5 millions to $13.9 millions, before depreciation, which was reserved at $350,000 in both years.

Participating dividends of 20 cents per share were paid on both classes of preferred stock during 1940, and 50 cents on the common, 1940 payments being the first since 1932.

In the hope that export markets to Great Britain will improve, business connections with the United Kingdom are being maintained.

**Consol. Income and Surplus Account**
**Years Ended**

| | Feb. 28<br>1941<br>$ | Feb. 29<br>1940<br>$ |
|---|---|---|
| Operating profit | 2,306,254 | 2,620,261 |
| Less: Legal & exec. | 61,449 | 58,227 |
| Directors' fees | 10,000 | 9,750 |
| Oper. taxes | 91,418 | 90,411 |
| Net earnings | 2,143,387 | 2,461,873 |
| Less: Depreciation | 350,000 | 350,000 |
| Bond interest | 108,500 | 114,053 |
| Bond exp. w/o | ...... | 26,640 |
| Emplo. stck. part. | ...... | 15,000 |
| Income taxes | 673,802 | 426,474 |
| Net profit | 1,011,085 | 1,529,706 |
| Less: 1st pref. divs. | 229,050 | 190,875 |
| 2nd pref. divs. | 290,983 | 218,236 |
| Common divs. | 68,890 | ...... |
| Surplus for year | 422,162 | 1,120,595 |
| Add: Prev. surplus | 648,674 | 274,820 |
| Less: Invest. reserve | ...... | 450,000 |
| Red. pfd. shares | 170,000 | ...... |
| Tax adjust. | 100,336 | ...... |
| Bond exp. w/o | ...... | 296,741 |
| Surplus forward | 800,500 | 648,674 |
| **Earnings per Share:** | | |
| First pref.: Earned | $5.30 | $8.01 |
| Paid | †1.20 | 1.00 |
| Second pref.: Earn.* | 2.25 | 3.68 |
| Paid | †0.80 | 0.60 |
| Common: Earned‡ | 3.04 | 6.80 |
| Paid | 0.50 | ...... |

*Before taknig participation feature into account.

†Including participating dividends of 20 cents.

‡After taking participation feature into consideration.

**Shares Outstanding:**

| | | |
|---|---|---|
| First preferred | 190,877½ | 190,877½ |
| Second preferred | 363,732 | 363,732 |
| Common | 137,784 | 137,784 |

**Working Capital**

| | | |
|---|---|---|
| Current assets | 7,582,082 | 7,281,705 |
| Current liabilities | 1,503,841 | 1,353,425 |
| | 6,078,241 | 5,928,280 |

### York Knitting

Sales of York Knitting Mills, Ltd., in 1940 were 13.6% above the 1939 total, civilian business showing a gain of 9.1%. Operating profits advanced some $49,000, but special reserve against inventories of $75,000, and an increase from $76,000 to $130,000 in income and excess profits taxes more than offset the gain. Net profit for the year was $171,467 against $260,014 in 1939.

Inventories increased from $1.6 million in 1939 to $2.1 millions in 1940, after deducting the special reserve of $75,000. Capital expenditures during the year were $102,247. No large plant expenditures are contemplated for 1941, according to J. Douglas Woods, president.

Wages were increased 10% in October, 1939, to meet rising living costs. The increase added $142,000 to the wage bill in 1940 and went to factory and office workers only, management, executive and sales staffs being excluded.

**Income and Surplus Account**
**Years Ended Dec. 31**

| | 1940<br>$ | 1939<br>$ |
|---|---|---|
| Net oper. profit | 516,454 | 467,642 |
| Less: Depreciation | 110,096 | 94,807 |
| Bond interest | 37,771 | 39,521 |
| Earnings from oper. | 368,587 | 333,314 |
| Add: Dividends | 7,880 | 2,700 |
| Less: Inventory res. | 75,000 | ...... |
| Income taxes | 130,000 | 76,000 |
| Net profit | 171,467 | 260,014 |
| Less: 1st pref. divs. | 10,500 | 10,500 |
| 2nd pref. divs. | 21,000 | 21,000 |
| Common divs. | 68,703 | ...... |
| Surplus for year | 71,264 | 228,514 |
| Add: Previous surplus | 958,120 | 712,467 |
| Prof. sale of secs. | 704 | ...... |
| Adj. prior yrs. | ...... | 17,139 |
| Surplus forward | 1,030,088 | 958,120 |
| **Earnings per Share:** | | |
| 1st Pfd.: Earned | $114.31 | $173.34 |
| Paid | 7.00 | 7.00 |
| 2nd Pfd.: Earned | 53.65 | 83.17 |
| Paid | 7.00 | 7.00 |
| Common: Earned | 0.61 | 1.00 |
| Paid | 0.30 | ...... |
| **Shares Outstanding:** | | |
| 1st preferred | 1,500 | 1,500 |
| 2nd preferred | 3,000 | 3,000 |
| Common | 229,012 | 229,012 |

**Working Capital**

| | | |
|---|---|---|
| Current assets | 2,779,200 | 2,349,954 |
| Current liabilities | 1,476,836 | 1,076,209 |
| | 1,302,364 | 1,273,745 |

### Candn. Colonial

Canadian Colonial Airways Ltd. reports revenue from operations of $293,686 in 1940, compared with $217,068 in the preceding year. Operating expenses increased from $191,740 to $284,100, cutting net profit from $16,175 to $450.

New passport and exchange control restrictions closed some sources of revenue during the year, but passenger traffic reached record levels.

With continued growth in traffic and fuller use of equipment it is expected net profits will be more satisfactory.

**Income and Surplus Account**
**Years Ended Dec. 31**

| | 1940<br>$ | 1939<br>$ |
|---|---|---|
| **Revenue:** | | |
| Mail | 113,919 | 106,176 |
| Passenger | 160,649 | 101,719 |
| Express | 218 | 212 |
| Miscellaneous | 998 | 5,059 |
| Rental | 17,902 | 3,902 |
| | 293,686 | 217,068 |
| Add: Other inc. | 1,600 | 1,722 |
| | 295,286 | 218,790 |
| Less: Oper. exps.* | 284,100 | 191,740 |
| Bad debts w/o | 186 | 619 |
| Exch. loss | 9,665 | 5,383 |
| Secs. write down | ...... | 780 |
| Miscellaneous | 153 | ...... |
| Income tax | 732 | 4,093 |
| Net profit | 450 | 16,175 |
| Add: Prev. surplus | 11,954 | 4,041 |
| Prior adj. (net) | 138 | ...... |
| Less: Adjusts. (net) | ...... | 180 |
| Surplus forward | 12,542 | 11,954 |
| *Includes: | | |
| Exec. remun. | 10,200 | 8,200 |
| Directors' fees | 1,600 | 862 |
| Legal fees | 3,504 | 1,614 |

**Working Capital**

| | $ | $ |
|---|---|---|
| Current assets | 183,258 | 132,382 |
| Current liabilities | 49,284 | 98,105 |
| Working capital | 133,974 | 34,277 |

### George Weston Ltd.

First quarter earnings for 1941 of George Weston Ltd. reflect the increase in the Dominion corporation levy to a minimum of 40%. Earnings have been estimated on the assumption that provincial corporation levies are withdrawn in accordance with the request of the Dominion.

The quarter shows a gain of approximately $23,000 in operating earnings, bulk of which is absorbed by a rise of nearly $9,000 in depreciation charges, over $12,000 in income tax.

**Earnings Statement**
**Three Months Ended Mar. 31**

| | 1941<br>$ | 1940<br>$ |
|---|---|---|
| Net oper. profit | 245,163 | 222,360 |
| Less: Depreciation | 76,498 | 67,889 |
| Income tax (est.)* | 67,266 | 55,065 |
| Est. net profit* | 101,399 | 99,406 |
| Less: Pref. divd. | 22,533 | 22,533 |
| Bal. avail. for common | 78,866 | 76,873 |
| Earns. per Com. Share | $0.195 | $0.190 |

*Estimated income tax reported for the first quarter of 1940 of $38,338 was based on the rate of taxation in effect at that time which was subsequently increased by imposition of an excess profits tax. Accordingly, provision for income and excess profits tax as reported above for 1940 is adjusted to 35% and the 1941 estimate is based on the new rate of 40%.

### Dominion Rubber

Dominion Rubber Co. and subsidiaries report net profit of $189,646 in 1940, compared with net loss of $163,728 the preceding year.

The company is controlled by United States Rubber Co. and there are only a few shares in public hands.

Net working capital amounted to $5.1 millions the end of 1940, against $4.5 millions end of the previous year. Deficit account was reduced from $532,019 to $342,373.

Canadian Consolidated Felt Co. assets were purchased by the parent May 1, 1940.

## Consumers' Gas Co. Sales Gain 7%

### Meter Rise 2,500, Appliance Sales Up 25% — Coal Famine Averted

Business in all departments of Consumers' Gas Co. is increasing the company reports. In the first week of May, gross output rose 6.9% over the same week a year ago. April output was 3.41% above 1940 and the first seven months of the fiscal year which ends Sept., 30, shows a gain of 3.07%.

Active meters installed are 2,500 higher than a year ago, of which at least 2,000 meters represent new household business. The balance reflects the gain in industrial consumption. Outlook for sales to industry is encouraging, it is stated, a number of larger industrial concerns engaged in war work having become substantial gas users.

Experience following the Great War was that much of the business gained remained with the gas industry. Several entirely new industries have been established in the Toronto area manufacturing products which also have their peacetime uses, it is reported. Demands for coke continues high. Last winter output of the Toronto plants was sold in more than 70 Ontario communities about half representing new business.

The return to work of soft coal miners in the United States has averted a coal shortage. Consumers' Gas Co. normally carries a reserve stock of three to four months' supply.

Appliance sales in the year to date are stated to have been about 25% higher than last year, gains being in domestic, industrial and commercial appliances.

# Municipal Finances

**Windsor, Ont.** — Payment of approximately $175,000 on account to Windsor separate school creditors has been arranged. The sum involved is the balance of Separate School Board's $200,000 share of the surplus built up by the city during the years of default. The money was paid over to the Separate School Board credit after the city refunded its debt. Work has not yet been started on the refunding of the school board's debt which amounts to $2 millions, plus accumulated interest of $1 million. Distribution of the $175,000 will be carried out by the Guaranty Trust Co. of Canada.

* * *

**Collingwood, Ont.**—Tax rate for Collingwood for 1941 is set at 40 mills, one mill below the 1940 rate and the lowest rate since 1922 when 40 mills was also levied. Total expenditures for 1941 are estimated at $140,961 as compared with $163,895 in 1940. The debenture debt is $808,158, against $871,087 at the end of 1939 and $886,612 at the end of 1938.

* * *

**Vancouver, B.C.**—Annual report of the City of Vancouver for 1940 includes statistical record of the city since 1886, year of incorporation. Initial tax rate of the city, 12½ mills, compares with the 1940 rate of 47.5 mills. Since 1932 the tax rate has increased from 39.88 mills but total assessable property has dropped from $374.5 millions to $300.7 millions. Total taxes levied in 1932 amounted to $12.8 millions compared with $10.8 millions in 1940. Arrears of taxes reached a peak of $8.3 millions in 1935, and have since fallen to $2.7 millions at the end of 1940. Since 1886 population has grown from 1,000 to 272,352 end of 1940.

* * *

**New Toronto, Ont.**—Statement for 1940 for the town of New Toronto shows that actual revenues exceeded the budget estimate by nearly $10,000, expenditures were reduced approximately $4,000 below estimated expenditures, resulting in a surplus of $13,776.

* * *

**Midland, Ont.**—Tax rate, 1941, for the town of Midland has been cut 4½ mills while assessment has been reduced approximately 10%. Tax rate in 1940 was 47½ mills, and is now 43 mills. A straight 10% cut on the assessment of all residential property has been effected and a graded reduction on the land of approximately the same amount is being put through. Total reduction in assessment is $127,473, which, with the tax reduction, will result in a total of $33,014 less being paid in taxes than in 1940. The principal cause of the tax reduction is the drop in the relief levy from 8.34 mills in 1940 to 3.97 mills in 1941.

Since Midland was reorganized approximately five years ago, two reductions in the assessment have been effected amounting to a total of approximately 20%. In the same period all of the reorganized debentures due up to 1945 have been called for redemption. Midland's relief bill which formerly ran over $200,000 annually is now down to $30,200.

* * *

**Port Arthur, Ont.**—Lowest mill rate for Port Arthur since 1919 has been established with the 1941 rate of 45 mills, down 2½ mills from last year. The reduction came from cutting operating costs more than $200,000, to $897,636 for 1941. In addition to operating economies, the city carried forward a surplus of approximately $20,000 from 1940, increased assessment rate.

* * *

**Yellowknife, N.W.T.**—Lowest mill rate in Canada is boasted by Yellowknife where property owners pay one mill for administrative purposes, 3 mills school tax. The mining town has no indebtedness and a substantial balance in the bank. The district has a total assessment of $1,240,000 and draws revenue from the issue of business licenses and a percentage on the sale of beer in the community.

* * *

**New Westminster, B.C.**—First surplus in about 15 years is reported for the city of New Westminster for 1940. Revenue of $1,454,245 compared with expenditures of $1,416,416, leaving a surplus of $37,829. No change in tax rates is anticipated.

* * *

**Sherbrooke Que.**—In spite of two new bond issues, one for $225,000, the other for $30,000, net debt of the city of Sherbrooke declined $82,000 in 1940. Redemptions during the year totalled $337,000. Since 1936, arrears of taxes have fallen approximately $80,000 to $166,897. Current tax collections were 86.9% of the levy in 1940 against 85.2% in 1939 and 77.3% in 1936.

* * *

**East York, Ont.**—Current tax collections in East York Township to April 19 amount to $86,704 compared with $57,130 for the corresponding period of 1940. Payments of arrears of taxes amounted to $137,910 for the same period compared with $143,200 in 1940. The percentage of arrears collected this year is 26.3% compared with 14.9% last year. Collections for 1940 amounted to 78.1% of the current tax roll, an all-time high for the municipality. 1941 tax rates have been reduced 4.2 mills.

## Manitoba Relief Drops $287,000

Total cost of relief and unemployment relief work in January was more than $287,000 less in 1941 than in 1940 for the Province of Manitoba. Total expenditures of $330,720 for Jan., 1941, compare with $618,113 for the first month of 1940. Decreases were common to all categories of relief expenditures, the drop in relief works from $106,364 to $9,502, being the most pronounced on a proportional basis. More important in dollar value was the drop in family relief from $423,121 to $252,006.

Since Oct. 1, 1930 to the end of Jan., 1941, the province has spent $82,575,304 on unemployment relief. Largest item has been family relief with slightly over $50 millions followed by relief work which had absorbed $22.7 millions. Third largest item in the total is rural rehabilitation expenditures which began May 1, 1932 and have since amounted to $1,619,467.

The drop in numbers on relief at Jan., 1941 was less pronounced than the drop in payments. In the first month of 1940, 66,755 individuals were on relief. In Jan., 1941, the total had fallen to 45,323.

Relief expenditures in January were $13,563 higher than in December, and the numbers on relief increased by 3,590 individuals.

WISDOM IN A FEW WORDS

This institution will be glad to give you the information you may seek in connection with trust company administration—unquestionably the appointment of a reliable trust company is the most effecive and economical method of providing a competent and reliable service for your heirs.

*"We Invite Consultation"*

MONTREAL TRUST COMPANY
Montreal Trust Building
61 Yonge Street Toronto
J. F. HOBKIRK, Manager

"That way, Jackson
-I can SEE what
I want from here"

Merchandising studies prove conclusively that shoppers prefer to buy goods which they can *see*—that's one reason why visible packaging in "Cellophane" is such a tremendously important sales stimulant. It's easily understood. Goods packaged in and protected by "Cellophane" are given the best possible display. Quality, colour and design are completely revealed; shoppers *see* what they want and buy what they see.

Here's a concrete instance: A certain grocery store in Montreal used to sell macaroni, spaghetti and vermicelli in brown paper parcels. Then these simple products were given a new package of transparent "Cellophane". We checked the results carefully over a period of one week—and the check showed an *increase in sales of over 60%*.

Perhaps the increased visibility and immensely enhanced sales appeal given by "Cellophane" would benefit one of your products. It might be well worth your while to discuss the matter with one of our Sales Representatives who have much practical experience in packaging and merchandising. At any time we would welcome the opportunity. "Cellophane" Division, Canadian Industries Limited, P.O. Box 10, Montreal, Quebec.

Cellophane
TRADE MARK
C-I-L CELLULOSE FILM

# THE WEEK'S QUOTATIONS

## Toronto and Montreal Exchanges

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MAY 12

### A

| Range 1941 High | Low | Div R'te $ | May10 Y'ld % | | Sales | Last May 5 | Week end. May 12 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| .90 | .50 | . | ... | Abitibi | 525 | .75 | .75 | .70 | .75 |
| 8 | 4 | . | ... | Do. pref. 6% | 275 | 5¾ | 6 | 5¾ | 5¾ |
| 12¼ | 8 | . | ... | Do. pref. 7@ | 25 | 11 | 11 | 11 | 11 |
| 3 | 1 | . | ... | Acme Glove | .... | (1½ bid — asked) | | | |
| 60 | 50 | 6.50 | 11.8 | Do. pref. | .... | (55 bid 60 asked) | | | |
| 12 | 11½ | 80+20c | 8.7 | Agnew Surp. | 100 | 11½ | 11½ | 11½ | 11½ |
| 108 | 105 | 7 | 6.7 | Do. pref. | .... | (105 bid — asked) | | | |
| 1.50 | .75 | . | ... | Alta. Pac. Gr. | 30 | .75 | .75 | .75 | .75 |
| 30 | 24½ | . | ... | Do. pref. | 40 | 26 | 25 | 24½ | 24½ |
| 10 | 7 | . | ... | Algoma Steel | 491 | 8½ | 8½ | 8½ | 8½ |
| 97½ | 89½ | 2.50 | 2.8 | Do. pref. | .... | (— bid 88½ asked) | | | |
| 115 | 102 | 8 | 7.8 | Aluminium | 167 | 103 | 103 | 103 | 103 |
| 120 | 117 | 6 | 5.1 | Do. pref. | .... | (112 bid — asked) | | | |
| 7½ | 6 | . | ... | Amal. Electric | .... | (5½ bid — asked) | | | |
| 37 | 37 | 60c | ... | Amer. Cyn. B. | .... | (— bid — asked) | | | |
| 46 | 44½ | 2.75 | 6.2 | Ang. Can. Tel. p | .... | (— bid 47 asked) | | | |
| 18½ | 14½ | 60+60c | 7 | Asbestos | 341 | 16½ | 16½ | 16 | 16½ |
| 16 | 14½ | 1 | 6.2 | Assoc. Brew. | .... | (16 bid — asked) | | | |
| 110½ | 108½ | 7 | 6.3 | Do. pref. | .... | (110½ bid — asked) | | | |
| •2 | 2 | . | ... | Assoc. T. & T.A. | .... | (— bid 7 asked) | | | |
| §24 | 24 | ♦48c | ... | Do. pref. | .... | (— bid 24 asked) | | | |
| §103 | 101 | 5.50 | 5.3 | Ault & Wiborg. | .... | (— bid — asked) | | | |

### B

| Range 1941 High | Low | Div R'te $ | May10 Y'ld % | | Sales | Last May 5 | Week end. May 12 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| 147 | 140 | 8 | 5.5 | Bk. Can. Nat. | 18 | 145 | 145 | 145 | 145 |
| 195 | 171 | 8 | 4.6 | Bk. Montreal | 136 | 175 | 176 | 171 | 173 |
| 285 | 273 | 12 | 4.3 | Bk. N. Scotia | 21 | 275 | 275 | 273 | 275 |
| 250 | 244 | 10 | 4 | Bk. Toronto | 64 | 244 | 250 | 247 | 250 |
| •5 | 4½ | . | ... | Barcelona | .... | (— bid — asked) | | | |
| 1.25 | .55 | . | ... | Barker's Bread | .... | (.35 bid 1.50 asked) | | | |
| 22 | 16 | 2.50 | 13.9 | Do. pref. | 24 | 16 | 18 | 18 | 18 |
| 13 | 10 | 1 | 9.5 | Bathurst Pr. | 295 | 10¼ | 10¼ | 10¼ | 10¾ |
| 2½ | 1½ | . | ... | Do. (B) | .... | (— bid 2¾ asked) | | | |
| 2½ | 2 | . | ... | Beath & Sons | .... | (2½ bid 4½ asked) | | | |
| 8 | 4½ | . | ... | Beatty Bros. | 110 | 5½ | 5¾ | 5½ | 5½ |
| 102¾ | 101 | 6 | ... | Do. pref. | .... | (101½ bid 104 asked) | | | |
| §90 | 88 | 7 | 7.9 | Do. 2nd pref. | .... | (85 bid 90 asked) | | | |
| 10½ | 6½ | . | ... | Beauharnois | 228 | 9½ | 9½ | 9½ | 9½ |
| 80 | 80 | 4 | 5 | Belding Cort. | .... | (— bid 90 asked) | | | |
| 127 | 126 | 7 | 5.6 | Do. pref. | 6 | 127 | 127 | 126 | 126 |
| 160½ | 137 | 8 | 5.8 | Bell Telephone | 1010 | 140¾ | 141 | 137 | 141 |
| 6½ | 5 | 30c | 4.8 | Bertram & Sons | 10 | 6½ | 6½ | 6½ | 6½ |
| 8¾ | 7½ | 60c | 8 | Biltmore Hats | 185 | 7¾ | 7½ | 7½ | 7½ |
| 6 | 5 | . | ... | Blue Ribbon | .... | (— bid 6 asked) | | | |
| 37½ | 32 | 2.50 | 7.2 | Do. pref. | .... | (32 bid 34 asked) | | | |
| 21½ | 20 | 1.30 | 6.1 | Brant. Cord. pf | 55 | 21½ | 21½ | 21½ | 21½ |
| 7¾ | 5 | . | ... | Brazilian Tr. | 3132 | 5¾ | 6 | 5¾ | 6 |
| 5½ | 3½ | 50+10c | .. | Brew. & Distil. | 85 | 3¾ | 3¾ | 3¾ | 3¾ |
| 6½ | 6½ | 30c | 4.6 | Bright, T. G. | .... | (6½ bid — asked) | | | |
| 90 | 90 | 6 | 6.7 | Do. pref. | .... | (90 bid — asked) | | | |
| 18¾ | 15½ | 1 | 6 | Brit. Amer. Oil | 1397 | 16½ | 17 | 16½ | 16¾ |
| 12¾ | 10 | . | ... | B. C. Packers | 31 | 10 | 10 | 10 | 10 |
| 26½ | 22½ | 2 | 8.7 | B. C. Power A. | .... | (23 bid 26½ asked) | | | |
| 1.75 | 1.00 | . | ... | Do. (B) | 10 | 1.75 | 1.75 | 1.75 | 1.75 |
| 6 | 4½ | . | ... | Bruck S. Mills | 65 | 5 | 5 | 5 | 5 |
| 15¾ | 13¾ | 70+10c | 5.9 | Building Prod. | 280 | 13½ | 13½ | 13½ | 13½ |
| 10¾ | 7¾ | 60c | 7.5 | Burlington St'l | .... | (8½ bid 8¾ asked) | | | |

### C

| Range 1941 High | Low | Div R'te $ | May10 Y'ld % | | Sales | Last May 5 | Week end. May 12 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| §70 | 70 | . | ... | Calgary Power | .... | (— bid 70 asked) | | | |
| 102½ | 101 | 6 | 5.9 | Do. pref. | .... | (— bid 101 asked) | | | |
| 2¼ | 2 | . | ... | Canada Bread | .... | (2 bid 2¼ asked) | | | |
| 100 | 95 | 5 | 5 | Do. pref. | 5 | 100 | 100 | 100 | 100 |
| 40 | 35 | 2.50 | 6.2 | Do. pref. B. | .... | (36½ bid 53 asked) | | | |
| 4¾ | 3¾ | 40c | 10.7 | Canada Bud | .... | (3¾ bid 4¼ asked) | | | |
| 7 | 4½ | . | ... | Canada Cement | 121 | 5 | 4¾ | 4¾ | 4¾ |
| 100 | 94 | 5 | 5.3 | Do. pref. | 35 | 98 | 98½ | 95 | 95 |
| 5¾ | 5¾ | 10c | ... | Can. Cr. Stone | .... | (— bid 5 asked) | | | |
| 105½ | 102¾ | 5 | 4.8 | Canada Cycle, p | .... | (103¾ bid 106 asked) | | | |
| 27 | 23½ | 1.50 | 6 | C. & D. Sugar | 220 | 25 | 25 | 25 | 25 |
| 18 | 15 | 1.50 | 9.4 | Can. Forg. (A) | .... | (— bid 20 asked) | | | |
| §22 | 13 | ♦1.50 | .. | Do. (B) | .... | (— bid — asked) | | | |
| §40 | 40 | ‡4.50 | .. | Can. Iron | .... | (35 bid — asked) | | | |
| 72 | 70 | ‡3 | ... | Do. pref. | .... | (73 bid — asked) | | | |
| §390 | 390 | 20 | 5.1 | Canada Life | .... | (380 bid — asked) | | | |
| §4 | 1 | . | ... | Can. Mach'y | .... | (3½ bid — asked) | | | |
| §32 | 25 | ♦3.50 | ... | Do. pref. | .... | (98 bid — asked) | | | |
| 39 | 33 | 2+50c | 7.2 | Can. Malting | 80 | 34½ | 34½ | 34½ | 34½ |
| 11 | 6 | 1 | ... | Can. Nor. Pr. | 75 | 6½ | 11 | 6½ | 11 |
| 99 | 92½ | 7 | 7.6 | Do. pref. | .... | (— bid 91 asked) | | | |
| 87½ | 77 | 3+1 | 5 | Can. Packers | 65 | 80 | 79 | 77 | 77 |
| §.25 | .25 | . | ... | Can. Paving, c. | .... | (— bid .25 asked) | | | |
| 136 | 121 | 8 | 6.5 | Can. Perman. | 9 | 122 | 122½ | 122 | 122½ |
| 9 | 8 | ♦1 | ... | Can. Starch | .... | (8½ bid — asked) | | | |
| 108 | 108 | 7 | 6.5 | Do. pref. | .... | (108 bid — asked) | | | |
| 5½ | 3 | . | ... | Can. Steamsh's. | 389 | 4½ | 4½ | 3¾ | 4½ |
| 22¾ | 16 | 2.50 | 13.9 | Do., pref. | 332 | 18 | 18¾ | 17¾ | 18¾ |
| 8 | 6½ | 40c | 5.7 | Can. Vinegars | 110 | 7¼ | 7½ | 7 | 7½ |
| 61 | 54 | 4 | 7.3 | Can. W. Cable | .... | (— bid 56 asked) | | | |
| 23 | 17¾ | ‡1 | .. | Do. (B) | .... | (18 bid — asked) | | | |
| 107 | 107 | 6.50 | 6.1 | Do. pref. | .... | (106½ bid 107 asked) | | | |
| ¾ | ¼ | . | ... | Can. Bakeries | 60 | ¼ | ¼ | ¼ | ¼ |
| 29 | 20 | ‡2 | ... | Do. pref. | 10 | 29 | 26½ | 22 | 22 |
| 163 | 146 | 8 | 5.4 | Can. Bk. Com. | 113 | 149 | 149 | 146 | 146 |
| 1.00 | .50 | . | ... | Can. Breweries | 470 | .85 | .75 | .70 | .70 |
| 25 | 20 | 3 | 13.4 | Do. pref. | 8 | 22½ | 22½ | 21 | 22½ |
| 36 | 34½ | 1.50+50c | 6 | Can. Bronze | 280 | 35 | 35 | 34¾ | 35 |
| 105 | 103 | 5 | 4.8 | Do. pref. | 5 | 105 | 105 | 105 | 105 |
| 6½ | 5 | 50c | ... | Can. Canners | 120 | 5½ | 6 | 6 | 6 |
| 20 | 18 | 1+10c■ | 5.6 | Do. 1st pfd. | 112 | 19½ | 19½ | 19 | 19½ |
| 10 | 8 | 60+10c■ | 7.8 | Do. 2nd pf. | 55 | 8½ | 9 | 9 | 9 |
| 10 | 5½ | . | ... | Can. Car & F'y | 495 | 6 | 5¾ | 5½ | 5½ |
| 27½ | 19 | 44c | ... | Do. pref. | 245 | 21½ | 21¾ | 21½ | 21½ |
| 29 | 19¾ | 1 | 4.9 | Can. Celanese | 140 | 20 | 20½ | 20 | 20 |
| 124 | 110 | 7+60c■ | .. | Do. pref. | 78 | 113¼ | 113¼ | 110 | 110 |
| 23 | 22½ | 1 | 4.3 | Do. Rights | .... | (— bid — asked) | | | |
| 19 | 15 | 1 | 5.9 | Can. Convert. | .... | (16 bid 18 asked) | | | |
| 106¾ | 90 | 4+2 | 5.7 | Can. Cottons | .... | (93 bid 107½ asked) | | | |
| 117 | 105 | 6 | 5.1 | Do. pref. | 18 | 117 | 117 | 117 | 117 |
| 22 | 15½ | . | ... | Can. Dredge | 20 | 15½ | 15½ | 15½ | 15½ |
| 100 | 99½ | 6 | 6 | Can. Fairb. pf. | .... | (97 bid — asked) | | | |
| 11 | 9 | 1.40 | ... | Can. For. Inv. | .... | (9 bid 11 asked) | | | |
| 105 | 104 | 8 | 7.6 | Do. pref. | .... | (— bid — asked) | | | |
| 220 | 210 | 8 | 3.7 | Can. Gen. Elec. | .... | (210 bid — asked) | | | |
| 8½ | 7 | 50c | 6.9 | Can. G. Inv. | 35 | 7½ | 7¾ | 7¾ | 7¾ |
| 3 | 1½ | 10c | .. | Can. Ind. Alc. | 345 | 2½ | 2¾ | 2½ | 2¾ |
| 2¾ | 1¾ | 10c | .. | Do. (B) | 35 | 2 | 2¼ | 2¼ | 2¼ |
| 208 | 171¾ | 7 | 3.7 | Can. Indust. B. | 10 | 183¾ | 171¾ | 171¾ | 171¾ |
| 176 | 167 | 7 | 4.1 | Do. pref. | .... | (— bid 170 asked) | | | |
| §.30 | .10 | . | ... | Can. Int. I. Tr. | .... | (— bid — asked) | | | |
| 50 | 41 | 2 | 4 | Do. pref. | .... | (40 bid 40 asked) | | | |
| 14 | 12 | 1 | 7.4 | Can. Lt. & Pr. | .... | (13 bid 18 asked) | | | |
| 9 | 7 | . | ... | Can. Locomo. | .... | (— bid 9 asked) | | | |
| .95 | .65 | 4c | ... | Can. Marconi | 170 | .75 | .80 | .65 | .80 |
| 17 | 12½ | 50+50c | 6.7 | Can. Oil | .... | (13¾ bid 15 asked) | | | |
| 121 | 118 | 8 | 6.8 | Do. pref. | .... | (115 bid 120 asked) | | | |
| 6½ | 4½ | . | ... | Can. Pacific | 3724 | 5¼ | 5⅝ | 5 | 5⅝ |
| .50 | .10 | . | ... | C. Pr. & Pa. In. | 1 | .15 | .10 | .10 | .10 |
| 2½ | 1¾ | . | ... | Do. pref. | .... | (2 bid 2¼ asked) | | | |
| 3½ | 2 | . | ... | Can. Vickers | 100 | 2 | 2 | 2 | 2 |
| 15 | 10 | . | ... | Do. pref. | 35 | 12 | 11 | 10 | 10 |
| 9 | 9 | 1 | ... | C. Wallpaper A. | .... | (9 bid 10 asked) | | | |
| 9 | 8 | 1 | ... | Do. (B) | .... | (9 bid 9½ asked) | | | |
| 45 | 42 | ‡1.37½ | .. | Can. West'ho'se | .... | (— bid 44½ asked) | | | |
| 4 | 3¾ | ‡15c | ... | Can. Wineries | 10 | 3¾ | 3⅝ | 3⅝ | 3⅝ |
| 20½ | 18¾ | 1.50 | 7.9 | Can. Wire Box | .... | (14½ bid 19½ asked) | | | |
| 1.25 | 1.00 | . | ... | Capital Estates | .... | (.85 bid 1.20 asked) | | | |
| 119 | 118½ | 5 | 4.2 | Carnation, pf. | 20 | 119 | 118½ | 118½ | 118½ |
| 9½ | 7¾ | 50c | 5.6 | Catelli Food | .... | (7½ bid 9¾ asked) | | | |
| 10 | 9½ | 75c | 7.5 | Do. pref. | .... | (10 bid — asked) | | | |
| 2.00 | 1.70 | . | ... | Celtic Knit. | .... | (1.60 bid — asked) | | | |
| 155 | 155 | 8 | 5.2 | Cent. Can. L'n. | .... | (— bid — asked) | | | |
| 92 | 90 | 4 | 4.4 | Chart. Trust | .... | (— bid 90 asked) | | | |
| .32 | .15 | . | ... | Chem. Research | 100 | .15 | .16 | .16 | .16 |
| .40 | .30 | . | ... | City Gas & El. | 100 | .40 | .35 | .35 | .35 |
| .10 | .10 | . | ... | Claude Neon | .... | (.05 bid .10 asked) | | | |
| 1.50 | 1.25 | 12c | .. | Coast Brew. | .... | (1.20 bid 1.30 asked) | | | |
| 6½ | 4½ | . | ... | Cockshutt Plow | 50 | 4¾ | 4½ | 4½ | 4½ |
| 1.95 | 1.50 | 15c | ... | Comm. Alcohol | 50 | 1.90 | 1.55 | 1.55 | 1.55 |
| 6 | 5 | 40c | .. | Do. pref. | .... | (4 bid 5¼ asked) | | | |
| 4 | 4 | ‡25c | .. | Conduits Nat. | .... | (3½ bid 4 asked) | | | |
| 14 | 9 | ‡40c | ... | Cons. Bakeries | 78 | 10 | 10½ | 10 | 10 |
| .03 | .02 | . | ... | Cons. Div. Sec. | .... | (— bid — asked) | | | |
| 8 | 7½ | 75c | ... | Do. pref. | .... | (7½ bid 14 asked) | | | |
| 4 | 2½ | . | ... | Cons. Paper | 5072 | 2¾ | 2¾ | 2¾ | 2¾ |
| 4 | 3 | . | ... | Cons. Press | .... | (— bid 4¼ asked) | | | |
| §75 | 55 | ♦4.75 | .. | Cons. Sand, pf. | .... | (75 bid 82 asked) | | | |
| 39½ | 31¾ | ♦1+1.25 | 7 | Cons. Smelt. | 2253 | 33 | 32½ | 31¾ | 32 |
| 145 | 114 | 8 | 7 | Consumers' Gas | 52 | 120 | 117 | 114 | 117 |
| 40 | 30 | 3.50 | .. | Corr. P. Box, p. | .... | (40 bid 67½ asked) | | | |
| 25 | 22 | 1.20+15c | 6 | Cosmos Imp. | 75 | 23 | 23¼ | 23¼ | 23¼ |
| 31 | 26 | 2 | 7.7 | Crown Cork | 330 | 27½ | 26½ | 26 | 26 |
| 1½ | 1½ | . | ... | Crown Dom. Oil | .... | (1½ bid — asked) | | | |
| 35 | 28 | 3 | 8.6 | Crow's N. Coal. | 1 | 30¾ | 35 | 35 | 35 |
| 1.05 | .50 | . | ... | Cub Aircraft | 225 | .50 | .60 | .50 | .60 |

### D, E

| Range 1941 High | Low | Div R'te $ | May10 Y'ld % | | Sales | Last May 5 | Week end. May 12 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| 10½ | 9¾ | 1 | ... | David & Fre. A | .... | (— bid 12 asked) | | | |
| 1.60 | 1.40 | . | ... | Do. (B) | .... | (— bid 2 asked) | | | |
| 8½ | 7 | . | ... | de Havilland | .... | (7 bid — asked) | | | |
| 75 | 75 | ♦7 | ... | Do. pref. | .... | (— bid — asked) | | | |
| 1.50 | .90 | . | ... | Disher Steel | 210 | 1.00 | .90 | .90 | .90 |
| 10 | 10 | ♦1.50 | .. | Do. pref. | .... | (7 bid 12 asked) | | | |
| 28½ | 19 | 2.22 | 10.5 | Distill-Seagram | 555 | 20 | 20 | 19 | 19½ |
| 97½ | 93 | 5 | 5.3 | Do. pref. | .... | (— bid 93 asked) | | | |
| §39¾ | 39¾ | 2.50 | ... | Dom. Ang. Inv. | .... | (30 bid — asked) | | | |
| 70 | 70 | 5 | 7.2 | Do. pref. | .... | (70 bid 84 asked) | | | |
| 200 | 185 | 10 | 5.4 | Dom. Bank | 37 | 187 | 187 | 185 | 185 |
| 27½ | 21 | 1.20 | 5.5 | Dom. Bridge | 950 | 21½ | 22 | 21 | 22 |
| 21 | 17¾ | 1.50 | 7.9 | Dom. Coal, pf. | 55 | 18¼ | 19 | 19 | 19 |
| 28 | 15 | . | ... | Dom. Engineer | 8 | 25 | 15 | 15 | 15 |
| 24 | 17 | 1 | 5.1 | Dom. Foundries | 350 | 18¼ | 18¾ | 18 | 18 |
| 107 | 105 | 6 | 5.7 | Do. pref. | .... | (105 bid 110 asked) | | | |
| 126 | 115 | 5 | 4.3 | Dom. Glass | .... | (— bid 115 asked) | | | |
| 155 | 140 | 7 | ... | Do. pref. | .... | (— bid 150 asked) | | | |
| 29½ | 29½ | 1.20+40c | .. | Dom. Oilcloth | .... | (— bid 29 asked) | | | |
| .45 | .45 | . | ... | Dom. Scot. Inv. | .... | (.45 bid .80 asked) | | | |
| 25 | 25 | ‡1.55 | ... | Do. pref. | .... | (20 bid 27 asked) | | | |
| 1¾ | 1¾ | . | ... | Dom. Square | 20 | 1¾ | 1¾ | 1¾ | 1¾ |
| 9¾ | 6 | . | ... | Dom. St. & C.B. | 1314 | 6¾ | 6¾ | 6¼ | 6¾ |
| 5½ | 3½ | . | ... | Dom. Stores | 27 | 4 | 4 | 4 | 4 |
| 5½ | 3½ | . | ... | Dom. Tar & Ch. | 1215 | 5 | 4½ | 4½ | 4½ |
| 88 | 83½ | 5.50 | 6.5 | Do. pref. | .... | (— bid 92 asked) | | | |
| 83 | 69 | 5 | 7.2 | Dom. Textile | 92 | 71 | 70 | 69 | 70 |
| 155 | 140 | 7 | 4.7 | Do. pref. | 5 | 150 | 151½ | 151½ | 151½ |
| 1.75 | .75 | . | ... | Dom. Woollens | 38 | 1.00 | 1.00 | .80 | 1.00 |
| 8 | 6 | 60c | ... | Do. pref. | 5 | 6¾ | 7 | 7 | 7 |
| 5¾ | 3 | . | ... | Donnacona P.A. | 336 | 3½ | 3½ | 3 | 3 |
| 5½ | 3 | . | ... | Do. (B) | .... | (2½ bid 3 asked) | | | |
| 5½ | 4 | . | ... | Dryden Paper | 310 | 5 | 4 | 4 | 4 |
| .50 | .50 | . | ... | East Koot. Pr. | .... | (6 bid — asked) | | | |
| 10 | 7 | . | ... | Do. pref. | .... | (5½ bid 7 asked) | | | |
| .65 | .25 | . | ... | East Dairies | .... | (.50 bid 1.00 asked) | | | |
| 9 | 5½ | . | ... | Do. pref. | 15 | 7 | 7 | 6 | 7 |
| 13½ | 10 | 1 | 9.8 | East Steel | .... | (10½ bid 12½ asked) | | | |
| §16½ | 6½ | . | ... | East Theat. | .... | (— bid 6½ asked) | | | |
| 3 | 2½ | . | ... | Easy Washing | 100 | 3 | 2½ | 2½ | 2½ |
| 23 | 22 | 1.37½ | .. | Economic Inv. | .... | (21½ bid 26 asked) | | | |
| 8 | 6 | ‡20c | ... | Electrolux | .... | (6½ bid 7½ asked) | | | |
| 3 | 2 | . | ... | Enam. & Heat. | .... | (1 bid — asked) | | | |
| 29 | 23¾ | 2.50 | 10 | English Electric | .... | (— bid 25½ asked) | | | |
| 5¾ | 3 | . | ... | Do. (B) | .... | (4 bid 4½ asked) | | | |
| 5¾ | 5 | 15c | 2.7 | Equitable Life. | 10 | 5½ | 5½ | 5½ | 5½ |

### F, G

| Range 1941 High | Low | Div R'te $ | May10 Y'ld % | | Sales | Last May 5 | Week end. May 12 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| 3 | 2 | . | ... | Fairchild Air | 55 | 2 | 2 | 2 | 2 |
| 20 | 16 | 1 | 5.9 | Fam. Players | .... | (16½ bid — asked) | | | |
| 28 | 21½ | 1.50+25c | 8 | Fanny Farmer | 1390 | 23 | 23 | 21½ | 22 |
| 6 | 3½ | . | ... | Fleet Aircraft | 440 | 3¼ | 4 | 3½ | 3½ |
| §1.50 | .75 | . | ... | Fleury Bissell | .... | (.20 bid .75 asked) | | | |
| 15 | 13 | . | ... | Do. pref. | .... | (12 bid 14 asked) | | | |
| 16½ | 14¾ | 1 | 6.5 | Ford Motor A. | 1370 | 15¼ | 15¾ | 15¼ | 15¾ |
| 15 | 15 | 1 | 6.7 | Do. (B) | .... | (15½ bid — asked) | | | |
| §.20 | .05 | . | ... | For. Pr. Secs. | .... | (— bid — asked) | | | |
| 12¼ | 10¾ | 1 | 9.1 | Foundation Co. | 55 | 11 | 11 | 11 | 11 |
| 9 | 4½ | . | ... | Fraser Cos. | 90 | 7 | 7 | 7 | 7 |
| 10½ | 7 | . | ... | Do. Vot. Tr. | 225 | 8 | 7½ | 7½ | 7½ |
| §1.50 | .50 | . | ... | Freiman | .... | (— bid — asked) | | | |
| 42 | 41 | . | ... | Do. pref. | .... | (41 bid — asked) | | | |
| 9¾ | 6½ | 80c | 10.7 | Gatineau Pwr. | .... | (7½ bid 7¾ asked) | | | |
| 90 | 78 | 5 | 6.3 | Do. pref. | .... | (— bid 78½ asked) | | | |
| 95½ | 85 | 5.50 | 5.8 | Do. 5½% pref. | .... | (— bid 85 asked) | | | |
| 1.25 | .25 | . | ... | Do. Rights | 80 | .25 | .25 | .25 | .25 |
| 6½ | 4½ | . | ... | Gen. St. Wares. | 80 | 4½ | 4½ | 4½ | 4½ |
| 94 | 88 | 7+27c■ | 7.8 | Do. pref. | .... | (89 bid 91 asked) | | | |
| 80 | 67½ | 2.50+1.50 | | Goodyear Tire | 9 | 68 | 67½ | 67½ | 67½ |
| 56 | 53 | 2.50 | 6.7 | Do. pref. | 112 | 54¼ | 54¼ | 53½ | 54 |
| •50 | 50 | 1 | ... | Gould Pumps, p | .... | (— bid — asked) | | | |
| 4 | 2½ | . | ... | Gt. Lakes Pap. | .... | (2¾ bid 3½ asked) | | | |
| §29 | 18½ | 25c | .. | Do. pref. | .... | (— bid 19 asked) | | | |
| 3½ | 1¾ | . | ... | Do. Vot. tr. c. | 116 | 3½ | 3 | 2½ | 2½ |
| 19¾ | 14½ | 25c | .. | Do. Vot. tr. p. | .... | (— bid 14 asked) | | | |
| 5 | 1¾ | . | ... | Gt. W. Saddlery | 28 | 4½ | 5 | 4½ | 4½ |
| 30 | 25 | 2.25 | ... | Do. pref. | .... | (25 bid 30 asked) | | | |
| 11½ | 9¾ | 60c | 6 | Greening Wire. | .... | (9½ bid 11½ asked) | | | |
| §1.25 | 1.25 | 10c | ... | Growers' Wine | .... | (— bid — asked) | | | |
| 4½ | 2½ | . | ... | Gurd, Chas. | .... | (3 bid 3¼ asked) | | | |
| §107½ | 106½ | . | ... | Do. pref. | .... | (— bid 106 asked) | | | |
| 3½ | 2¾ | . | ... | Gypsum, Lime. | 370 | 3 | 3 | 2¾ | 3 |

### H, I

| Range 1941 High | Low | Div R'te $ | May10 Y'ld % | | Sales | Last May 5 | Week end. May 12 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| §21½ | 21½ | 1 | ... | Halifax Fire | .... | (— bid — asked) | | | |
| 5½ | 2¾ | . | ... | Ham. Bridge | 180 | 3½ | 3½ | 3 | 3½ |
| 36 | 34½ | 2+1.50▲ | 5½ | Ham. Cot., pf. | .... | (35½ bid — asked) | | | |
| .75 | .75 | . | ... | Ham. U. Theat. | .... | (.55 bid .75 asked) | | | |
| 72 | 65 | ‡1.25 | .. | Do. pref. | .... | (72 bid — asked) | | | |
| 3½ | 2½ | 20+5c | ... | Harding Carpet | .... | (2¾ bid 3½ asked) | | | |
| .25 | .25 | . | ... | Hillcrest Coll. | .... | (.25 bid — asked) | | | |
| 3½ | 2½ | . | ... | Do. pref. | 30 | 3½ | 3 | 3 | 3 |
| 10½ | 8½ | 50c | 5.6 | Hinde & Dauch | 50 | 9 | 9 | 9 | 9 |
| •20 | 20 | . | ... | Holt Renfrew | .... | (— bid 14 asked) | | | |
| 35 | 35 | . | ... | Do. pref. | .... | (35 bid 60 asked) | | | |
| 17½ | 14 | 2 | 13.1 | Honey Dew | .... | (15 bid 19 asked) | | | |
| 14¾ | 10½ | . | ... | H. Smith Pap. | 40 | 12 | 11 | 11 | 11 |
| 101 | 97 | 6 | 6.2 | Do. pref. | 60 | 99 | 97 | 97 | 97 |
| 18 | 14 | 1 | 7.2 | Humberstone S. | 10 | 15 | 14 | 14 | 14 |
| 4½ | 3½ | . | ... | Hunts (A) | .... | (3½ bid 5 asked) | | | |
| 5 | 2 | . | ... | Do. (B) | .... | (3½ bid 7 asked) | | | |
| 56 | 52 | 4 | 7.5 | Huron & E. Mt. | .... | (54½ bid 60 asked) | | | |
| 9 | 8 | 80c | ... | Do. 20% pd. | .... | (9½ bid 11 asked) | | | |
| .80 | .75 | . | ... | Hydro Electric. | .... | (.60 bid 2.00 asked) | | | |
| 205 | 192 | 10 | 5.2 | Imperial Bank. | 39 | 196 | 196 | 192 | 195 |
| 10½ | 8¾ | 50c | 5.2 | Imperial Oil | 5159 | 9¼ | 9¾ | 9¼ | 9¾ |
| 14 | 11 | 40+22½c | 5 | Imperial Tob. | 901 | 12¼ | 12¾ | 12¼ | 12¾ |
| 8 | 5 | 6% | ... | Do. pref. | 567 | 7 | 7½ | 5 | 5 |
| 16 | 12½ | ♦1.75 | .. | Indust. Accept. | 20 | 12½ | 13 | 13 | 13 |
| §36 | 25 | 3 | ... | Inter-City Bak. | .... | (20 bid 36 asked) | | | |
| 50 | 50 | 6+1 | .. | Inter'c Coal | .... | (40 bid — asked) | | | |
| §120 | 120 | 8 | 6.7 | Do. pref. | .... | (— bid — asked) | | | |
| 16¾ | 14½ | 1.50 | 10.3 | Inter. Bronze | .... | (— bid 14¾ asked) | | | |
| 25 | 20 | 1.50 | 6.8 | Do. pref. | 180 | 23 | 23 | 22 | 22 |
| .25 | .25 | 3c | ... | Int. Coal & C. | .... | (.25 bid .40 asked) | | | |
| 9½ | 6 | . | ... | Int. Metal Ind. | 55 | 7½ | 7¾ | 7½ | 7¾ |
| 105 | 93 | 6+3▲ | 6 | Do. pref. | .... | (95½ bid 105 asked) | | | |
| 100 | 93½ | 6+3▲ | 6.4 | Do. pref. A. | 10 | 93½ | 96 | 96 | 96 |
| 115¾ | 112½ | 5 | 4.3 | Int. Mill., pf. | .... | (112¾ bid 115 asked) | | | |
| 36¾ | 29¾ | 2 | 6.4 | Int. Nickel | 4256 | 29¾ | 31¼ | 29¾ | 31 |
| 2½ | 2 | . | ... | Int. Paints | .... | (2½ bid 3½ asked) | | | |
| §18 | 11 | 1+25c▲ | .. | Do. pref. | .... | (13½ bid 20 asked) | | | |
| 16½ | 14½ | . | ... | Int. Pap. & P. | 1 | 15 | 15 | 15 | 15 |
| 74¾ | 68 | 5+1.25▲ | 7 | Do. pref. | .... | (70½ bid — asked) | | | |
| 15¾ | 13¾ | 1 | 6.4 | Int. Pete. | 2753 | 14½ | 15½ | 14¾ | 15¾ |
| 3½ | 2½ | . | ... | Int. Power | 10 | 2½ | 2½ | 2½ | 2½ |
| 89 | 84 | 7 | 8.3 | Do. pref. | .... | (— bid 83 asked) | | | |
| •11¾ | 10½ | . | ... | Int. St. Rlty. A. | .... | (— bid 10 asked) | | | |
| •4 | 3¾ | . | ... | Do. (B) | .... | (— bid 4 asked) | | | |
| 7 | 5 | . | ... | Int. Util. (A) | .... | (6 bid 10 asked) | | | |
| .25 | .10 | . | ... | Do. (B) | .... | (.10 bid .15 asked) | | | |

### J, K, L

| Range 1941 High | Low | Div R'te $ | May10 Y'ld % | | Sales | Last May 5 | Week end. May 12 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| 13 | 13 | 68c | 5.2 | Jam. Pub. Ser. | .... | (— bid 13¼ asked) | | | |
| §135 | 128 | 7 | 5.5 | Do. pref. | .... | (— bid 129 asked) | | | |
| 11 | 8 | 1 | 10.8 | Kelvinator | .... | (9¼ bid 10¼ asked) | | | |
| 11 | 6¾ | . | ... | L. St. John Pr. | 45 | 8 | 8 | 8 | 8 |
| 1.00 | .65 | . | ... | Lake Sulphite. | .... | (— bid .90 asked) | | | |
| 16 | 11½ | ‡50c | ... | Lake of Woods. | 31 | 12¼ | 13 | 12¼ | 12¼ |
| 113 | 110 | 7 | 6.4 | Do. pref. | .... | (18¼ bid 19 asked) | | | |
| 53 | 44 | 4 | 8.9 | Landed Bank. | .... | (45 bid 55 asked) | | | |
| 12 | 10 | 70+12½c | ... | Lang, J. A. | .... | (9¾ bid 13 asked) | | | |
| •3½ | 2½ | . | ... | Langley's | .... | (— bid 1 asked) | | | |
| 25 | 15 | 2 | ... | Do. pref. | .... | (24 bid 30 asked) | | | |
| 10½ | 9 | 80c | 8.4 | Laura Secord. | 670 | 9 | 9¼ | 9¼ | 9¼ |
| 12 | 6½ | . | ... | Legare, pref. | 660 | 9¼ | 9 | 9 | 9 |
| 3½ | 3 | ♦15c | ... | Levy Bros. | .... | (2¾ bid — asked) | | | |
| 6½ | 4½ | . | ... | Lindsay, C. W. | .... | (4¼ bid 6 asked) | | | |
| 50 | 50 | . | ... | Do. pref. | .... | (40 bid 50 asked) | | | |
| 27 | 24 | 1+25c | 5.2 | Loblaw (A) | 640 | 25¼ | 25¼ | 24¼ | 24¼ |
| 26 | 22 | 1+25c | 5.5 | Do. (B) | 380 | 23¼ | 23¼ | 22¼ | 22¼ |

### M

| Range 1941 High | Low | Div R'te $ | May10 Y'ld % | | Sales | Last May 5 | Week end. May 12 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| 1.00 | 1.00 | . | ... | Mackenzie Air | .... | (— bid — asked) | | | |
| 2 | 2 | . | ... | Mackin. Steel. | .... | (— bid 4 asked) | | | |
| 55 | 55 | 1.25 | ... | Do. pref. | .... | (— bid 75 asked) | | | |
| 15¾ | 11 | . | ... | Maclaren Pr. p. | .... | (12¼ bid 13¼ asked) | | | |
| 8½ | 7 | . | ... | M. L. Gardens. | 2 | 8½ | 8½ | 8½ | 8½ |
| 7½ | 6 | 70c | 10.8 | Do. pref. | 20 | 6¼ | 6¼ | 6¼ | 6¼ |
| 2.75 | 1.40 | . | ... | Maple Leaf M. | 1125 | 1.50 | 1.53 | 1.50 | 1.53 |
| 4¾ | 2½ | . | ... | Do. pref. | 463 | 3 | 3½ | 3 | 3 |
| 16½ | 15 | 70+10c | .. | Maritime Tele. | .... | (— bid — asked) | | | |
| 16 | 16 | 70c | 4.4 | Do. pref. | .... | (16 bid — asked) | | | |
| 14¾ | 14¾ | . | ... | Marcus Loew's. | .... | (15¼ bid — asked) | | | |
| •100 | 100 | 7+1.75▲ | ... | Do. pref. | .... | (— bid — asked) | | | |
| 3¾ | 2 | . | ... | Massey-Harris | 485 | 2¼ | 2¼ | 2¼ | 2¼ |
| 37 | 25 | . | ... | Do. pref. | 60 | 31 | 32 | 31¼ | 32 |
| 5¾ | 3 | . | ... | McColl Fron. | 546 | 3¾ | 4 | 3 | 4 |
| 98 | 90 | 6 | 6.7 | Do. pref. | 75 | 92 | 92½ | 90 | 90 |
| 1.25 | .75 | . | ... | Melchers | .... | (1.00 bid 1.50 asked) | | | |
| 5½ | 5 | 30c | ... | Do. pref. | 193 | 5¼ | 5¼ | 5¼ | 5¼ |
| •1½ | 1½ | . | ... | Mercantile Tran | .... | (1¾ bid — asked) | | | |
| •5 | 5 | 6% | ... | Do. pref. | .... | (4¾ bid — asked) | | | |
| 7½ | 4½ | . | ... | Mercury Mills. | .... | (5 bid — asked) | | | |
| 47 | 45 | 2.50 | 5.6 | Mitchell, J. S. | .... | (— bid 50 asked) | | | |
| 9½ | 7½ | ♦50c | .. | Mitchell, Robt. | 75 | 9 | 8½ | 8½ | 8½ |
| 16¾ | 15 | 80+40c | 8 | Mod. Contain. | 40 | 15¼ | 15¼ | 15¼ | 15¼ |
| 98 | 98 | 5.50 | 5.6 | Do. pref. | .... | (— bid 100 asked) | | | |
| §6 | 2 | . | ... | Monarch Knit. | .... | (2 bid — asked) | | | |
| 75 | 75 | 7 | ... | Do. pref. | .... | (50 bid 65 asked) | | | |
| 64 | 55 | 4 | 6.7 | Montreal Cot. | 10 | 60 | 60 | 60 | 60 |
| 118 | 113 | 7 | 6.2 | Do. pref. | 10 | 113¼ | 113 | 113 | 113 |
| 1.00 | .25 | . | ... | Mont. Is. Pr. | .... | (.25 bid 2.25 asked) | | | |
| 29¼ | 20¼ | 1.50 | 6.7 | Mont. L. & Pr. | 1937 | 22¼ | 22¼ | 22 | 22¼ |
| 50½ | 48¾ | . | ... | Do. Notes | 52 | 48¾ | 48¾ | 48¾ | 48¾ |
| §15 | 15 | 1.25 | ... | Montreal Loan | .... | (15 bid — asked) | | | |
| §.85 | .16 | . | ... | Mtl. Refrig & S | .... | (.50 bid .75 asked) | | | |
| §10¼ | 6 | 1.25 | ... | Do. pref. | .... | (9½ bid 11¼ asked) | | | |
| 30 | 25 | 3.20 | 12.3 | Montreal Tele. | 23 | 26 | 26 | 26 | 26 |
| 52 | 17 | . | ... | Montreal Trams | 29 | 24 | 20 | 17 | 17 |
| 47½ | 41 | 2+60c | 6 | Moore Corp. | 540 | 43¾ | 43¾ | 41 | 41 |
| 188 | 179 | 7 | 3.9 | Do. pref. (A) | .... | (162 bid 175 asked) | | | |
| 279 | 266 | 7 | 2.6 | Do. pref. (B) | .... | (244 bid — asked) | | | |
| .05 | .05 | . | ... | Muirheads | .... | (— bid .15 asked) | | | |
| §1 | 1 | . | ... | Do. pref. | .... | (— bid — asked) | | | |

### N, O

| Range 1941 High | Low | Div R'te $ | May10 Y'ld % | | Sales | Last May 5 | Week end. May 12 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| 27½ | 19 | 2 | 10.2 | Nat. Breweries. | 1936 | 19¾ | 20¼ | 19 | 20¼ |
| 38¾ | 35 | 1.75 | 4.8 | Do. pref. | 125 | 36 | 36 | 36 | 36 |
| 5 | 2¾ | . | ... | Nat. Grocers | 310 | 3¾ | 4¼ | 4 | 4 |
| 25¼ | 24¼ | 1.50 | 6 | Do. pref. | 15 | 25 | 25 | 25 | 25 |
| 7½ | 7 | . | ... | N. Sew. Pipe A. | .... | (7 bid 8 asked) | | | |
| 38½ | 30¾ | 2 | 5.7 | Nat. Steel Car. | 40 | 34 | 35 | 34 | 35 |
| 150 | 140 | 8 | 5.7 | National Tr. | .... | (— bid 150 asked) | | | |
| §9½ | 9½ | ♦60c | .. | Neon Prod. | .... | (— bid — asked) | | | |
| 25¼ | 20 | 2 | 10 | Niag. W. Weav. | .... | (20 bid 24 asked) | | | |
| 3 | 2½ | . | ... | Noorduyn Av. | .... | (2 bid 2¼ asked) | | | |
| .90 | .40 | . | ... | North Star Oil. | .... | (.40 bid .90 asked) | | | |
| 3¾ | 3 | 35c | ... | Do. pref. | .... | (3 bid 3¼ asked) | | | |
| 86 | 86 | 6 | 7 | N. S. L. & Pr. | .... | (— bid — asked) | | | |
| 107 | 106 | 6 | 5.6 | Do. pref. | .... | (105 bid — asked) | | | |
| 21½ | 18 | 1 | 5.3 | Ogilvie Flour | 285 | 18¼ | 19 | 18 | 19 |
| 155 | 155 | 7 | 4.5 | Do. pref. | .... | (153 bid 155 asked) | | | |
| 111¼ | 105 | 5 | 4.5 | Ontario Loan | .... | (113 bid 113¾ asked) | | | |
| §5¼ | 2 | . | ... | Ont. Silknit | .... | (— bid 4¼ asked) | | | |
| 45 | 35 | 1 | ... | Do. pref. | .... | (— bid 39 asked) | | | |
| 7 | 7 | 1 | ... | Do. Scripts | .... | (7 bid — asked) | | | |
| 10 | 8¼ | ‡25c | .. | Ont. Steel | .... | (8¼ bid 10 asked) | | | |
| §115 | 110 | 7 | 6.1 | Do. pref. | .... | (— bid 120 asked) | | | |
| 2.00 | 1.00 | . | ... | Orange Crush. | 65 | 1.25 | 1.00 | 1.00 | 1.00 |
| 6½ | 4¾ | 70c | 14 | Do. pref. | .... | (4¾ bid 6¼ asked) | | | |
| 8½ | 5 | ‡20c | ... | Ott. Car Air. | .... | (— bid 9¼ asked) | | | |
| 16 | 14 | 1.20 | 7.5 | Ottawa El. Rly. | .... | (— bid 16 asked) | | | |
| 11 | 6 | 60c | 10 | Ott. L. H. & Pr. | 40 | 6 | 6 | 6 | 6 |
| 99 | 95 | 5 | 5.1 | Do. pref. | .... | (— bid 98 asked) | | | |

### P, Q, R

| Range 1941 High | Low | Div R'te $ | May10 Y'ld % | | Sales | Last May 5 | Week end. May 12 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| 23 | 23 | ♦3c | ... | Pacific Coyle | .... | (25 bid — asked) | | | |
| 105 | 95½ | 5 | 5 | Page Hersey | 130 | 99¼ | 100 | 99¾ | 100 |
| §6 | 3¾ | . | ... | Pantepec Oil | .... | (— bid — asked) | | | |
| 30 | 30 | 2 | 6.7 | Paton Mfg. | .... | (25 bid — asked) | | | |
| §115 | 115 | 7 | 6.1 | Do. pref. | .... | (110¼ bid 115 asked) | | | |
| 50 | 49 | 3 | 6 | Penmans | .... | (— bid 55 asked) | | | |
| 123 | 120 | 6 | 5 | Do. pref. | .... | (120 bid — asked) | | | |
| 16½ | 14½ | 1 | 6.2 | Photo Eng. | .... | (14 bid 17 asked) | | | |
| 99 | 95½ | 7 | 7.1 | Porto Rico Pr p | .... | (96 bid 100 asked) | | | |
| 6 | 3¾ | 15c | ... | Power Corp. | 280 | 3¼ | 3¾ | 3¼ | 3¼ |
| 98 | 85 | 6 | 7 | Do. pref. | .... | (— bid 87 asked) | | | |
| 43 | 35¼ | 3 | 8.5 | Do. 2nd pref. | .... | (— bid 33 asked) | | | |
| 9½ | 8 | 1 | 11.8 | Pressed Metals. | 50 | 8¼ | 8¼ | 8¼ | 8¼ |
| 12½ | 9 | . | ... | Price Bros. | 901 | 9 | 9¼ | 9 | 9¼ |
| 70 | 62 | 5.50 | 8.7 | Do. pref. | 60 | 65 | 65 | 62 | 65 |
| 7 | 6 | 40c | 6.6 | Prov. Transport | 10 | 6¼ | 6¼ | 6¼ | 6¼ |
| 14½ | 10½ | 1 | 9.1 | Quebec Power | 150 | 11¼ | 11¼ | 11 | 11 |
| 4 | 4 | . | ... | Que. Telephone | 100 | 4 | 4 | 4 | 4 |
| 24 | 24 | 2 | 6.3 | Real Estate L'n. | .... | (24 bid 28 asked) | | | |
| 5 | 4¾ | 25c | ... | Regent Knit. | .... | (3¼ bid 4¼ asked) | | | |
| 18 | 15½ | 1.60 | 9.3 | Do. pref. | .... | (16¼ bid 18 asked) | | | |
| 4½ | 4½ | . | ... | Reliance Grain. | .... | (2¼ bid 4 asked) | | | |
| §66 | 64 | 6.50 | 10 | Do. pref. | .... | (55 bid 65 asked) | | | |
| 20 | 15½ | 2 | 10.8 | River S. Mill | 30 | 15¼ | 20 | 18¼ | 18¼ |
| §19½ | 12 | 60c | ... | Rolland Pap. | .... | (— bid — asked) | | | |
| 11 | 9 | 60c | 6.7 | Do. Vot Trust | .... | (— bid 9 asked) | | | |
| 95 | 93½ | 6 | 6.4 | Do. pref. | 65 | 93¼ | 93¼ | 93¼ | 93¼ |
| 167½ | 148 | 8 | 5.3 | Royal Bank | 119 | 150 | 151 | 149 | 150 |
| 18 | 14 | 80c | 5.2 | Russell Indust. | .... | (15¼ bid 16¼ asked) | | | |
| 160 | 145 | 7 | 4.7 | Do. pref. | .... | (150 bid 160 asked) | | | |

### S

| Range 1941 High | Low | Div R'te $ | May10 Y'ld % | | Sales | Last May 5 | Week end. May 12 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| 107 | 103 | 5.50 | 5.2 | Saguenay Pr. | 5 | 105 | 105 | 105 | 105 |
| 34½ | 34½ | ‡25c | .. | Sangamo | .... | (— bid 33½ asked) | | | |
| 9 | 6½ | . | ... | Sarnia Br. (A) | .... | (6¼ bid 7 asked) | | | |
| §2¾ | 1¼ | . | ... | Do. (B) | .... | (1 bid 2 asked) | | | |
| 17 | 12¼ | 90c | 7 | Shawinigan Pr. | 1213 | 13 | 13¼ | 12¼ | 12¼ |
| 12½ | 8½ | . | ... | Sher. Wms. | .... | (8¼ bid — asked) | | | |
| 115 | 108½ | 7+1.75▲ | 6 | Do. pref. | 4 | 109 | 108¼ | 108¼ | 108¼ |
| 4½ | 3 | . | ... | Silverwoods | 6 | 4 | 4¼ | 4¼ | 4¼ |
| 6½ | 5¼ | 40c | 7.3 | Do. pref. | 270 | 5¼ | 5¾ | 5¼ | 5¼ |
| 6½ | 5¾ | 60c | 11.3 | Simon & Sons. | .... | (5¾ bid 6 asked) | | | |
| 106 | 105 | 7 | 6.7 | Do. pref. | .... | (— bid — asked) | | | |
| 11 | 9 | . | ... | Simpson, A. | .... | (9 bid 11 asked) | | | |
| 5 | 3 | . | ... | Do. (B) | 2 | 3¾ | 3 | 3 | 3 |
| 100 | 91 | 6.50 | 7.1 | Do. pref. | .... | (92 bid 98 asked) | | | |
| 135 | 132 | 6 | 4.5 | Simpson, R., pf. | .... | (132 bid 140 asked) | | | |
| 10½ | 9 | 80c | 8.9 | So. Can. Pr. | 40 | 9 | 9¼ | 9 | 9¼ |
| 106 | 97 | 6 | 6.1 | Do. pref. | 4 | 97 | 98 | 97 | 98 |
| 2¾ | 1¼ | . | ... | St. Law. Corp. | 870 | 1¾ | 1¾ | 1¾ | 1¾ |
| 17 | 14 | 1 | 6.9 | Do. (A) | 100 | 14¼ | 14¼ | 14 | 14 |
| 22 | 19 | 1+50c | 7.9 | St. Law. Flour | .... | (18 bid — asked) | | | |
| 112 | 110 | 7 | 6.4 | Do. pref. | 1 | 110 | 110 | 110 | 110 |
| 40¼ | 31¾ | 2 | 6.2 | St. Law. Pap. p | 20 | 32¼ | 32 | 31¾ | 31¾ |
| 10½ | 8 | ‡50c | .. | Stand. Chem. | .... | (9 bid 9¼ asked) | | | |
| 1½ | 1¼ | . | ... | Stand. Clay | .... | (1 bid 3¼ asked) | | | |
| .90 | .50 | . | ... | St. Pav. & Mat. | 60 | .60 | .60 | .60 | .60 |
| 3¼ | 2½ | 31¼c | ... | Do. pref. | 20 | 3 | 3¼ | 3 | 3 |
| 2¾ | 2¼ | . | ... | Stand. Radio | 430 | 2¾ | 2¾ | 2¼ | 2¾ |
| 25 | 22 | 60+60c | 5 | Stedman Bros. | .... | (— bid 22 asked) | | | |
| 70 | 59½ | 3 | 4.8 | Steel of Can. | 206 | 64¼ | 69 | 64 | 69 |
| 74 | 64 | 3 | 4.3 | Do. pref. | 170 | 69 | 69 | 69 | 69 |
| 3 | 2 | . | ... | Sterling Coal | .... | (3 bid 4 asked) | | | |
| .15 | .15 | . | ... | Stop & Shop | .... | (— bid .20 asked) | | | |
| 14 | 11½ | 80c | 6.9 | Stuart, D. A. pf | .... | (11 bid 14 asked) | | | |
| §3½ | 2¾ | . | ... | Supersilk H. A. | .... | (— bid 2¾ asked) | | | |
| 3 | 3 | . | ... | Do. (B) | .... | (3 bid 3 asked) | | | |
| §82 | 72 | 5 | 6.9 | Do. pref. | .... | (— bid 75 asked) | | | |
| 30 | 23 | 1+50c | 6.5 | Sup. Pete. ord. | .... | (21¼ bid — asked) | | | |
| 27 | 25 | 1+50c | 5.6 | Do. com. | .... | (23 bid 32 asked) | | | |

### T, U, V

| Range 1941 High | Low | Div R'te $ | May10 Y'ld % | | Sales | Last May 5 | Week end. May 12 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| 11¾ | 10 | 80c | 7.3 | Tamblyn | .... | (10¼ bid 11 asked) | | | |
| 52¾ | 52½ | 2.50 | 4.8 | Do. pref. | .... | (53 bid — asked) | | | |
| §3 | 3 | . | ... | Thayers | .... | (1¼ bid 6 asked) | | | |
| §36 | 20 | 2.50 | ... | Do. pref. | .... | (20 bid 35 asked) | | | |
| 2 | 1 | . | ... | Thrift Stores | 100 | 1 | 1 | 1 | 1 |
| 9 | 8 | . | ... | Do. pref. | .... | (— bid 9¼ asked) | | | |
| 10 | 7¾ | 60c | 7.5 | Tip Top Tailors | .... | (6¼ bid 8 asked) | | | |
| 107 | 100 | 7 | 6.7 | Do. pref. | 1 | 102 | 105 | 105 | 105 |
| 1.50 | 1.50 | . | ... | Tooke Bros. | .... | (1.00 bid — asked) | | | |
| 13 | 12 | . | ... | Do. pref. | .... | (12 bid — asked) | | | |
| 21½ | 19 | 1 | 5 | Tor. Elevators. | .... | (16 bid 20 asked) | | | |
| 45½ | 42 | 2.62½ | 5.8 | Do. pref. | .... | (43¼ bid 47 asked) | | | |
| 80 | 70 | 4 | 5 | Tor. Gen. Tr. | .... | (65 bid 70 asked) | | | |
| 82 | 75 | 5 | 6.7 | Toronto Mtge. | .... | (75 bid 75 asked) | | | |
| 149 | 145 | 7 | 4.8 | Tuckett Tob. p. | .... | (140 bid — asked) | | | |
| 2.00 | 1.00 | . | ... | Twin City | 35 | 1.00 | 1.05 | 1.05 | 1.05 |
| 26½ | 26½ | . | ... | Do. pref. | .... | (— bid — asked) | | | |
| 14½ | 11½ | 80+20c | 8.3 | Union Gas | 1475 | 12¼ | 12¾ | 12 | 12 |
| 13½ | 13 | ♦80c | 5.9 | Un. Amuse. A. | .... | (13¼ bid — asked) | | | |
| 13¼ | 13 | ♦80c | 5.9 | Do. (B) | .... | (13¼ bid — asked) | | | |
| .85 | .60 | . | ... | United Distill | .... | (— bid .80 asked) | | | |
| 38½ | 30¾ | 3 | 9.7 | United Fuel, pf. | 55 | 31¼ | 31 | 30¾ | 30¾ |
| 5¾ | 2¾ | . | ... | Do. B. pref. | 30 | 3¼ | 3¼ | 3¼ | 3¼ |
| 4¾ | 1 | . | ... | United Secs. | 8 | 4¾ | 1 | 1 | 1 |
| 4 | 2¾ | . | ... | United Steel | 330 | 3 | 3 | 2¾ | 3 |
| 4 | 3½ | . | ... | Viau Bisc. | .... | (3 bid — asked) | | | |
| 60 | 55 | 5 | 8.9 | Do. pref. | .... | (56 bid — asked) | | | |

### W, Y, Z

| Range 1941 High | Low | Div R'te $ | May10 Y'ld % | | Sales | Last May 5 | Week end. May 12 H | L | Cl'se |
|---|---|---|---|---|---|---|---|---|---|
| 28¼ | 28¼ | 2 | 8.3 | Wabasso Cot. | .... | (23¼ bid — asked) | | | |
| 48 | 36¼ | 4 | 10.4 | Walker-Good. | 423 | 37¼ | 38¼ | 37¼ | 37¾ |
| 20½ | 19¼ | 1 | 5.1 | Do. pref. | 336 | 19¼ | 19¾ | 19¼ | 19¾ |
| .80 | .60 | ♦5c | ... | Walkerville Br. | .... | (.60 bid .75 asked) | | | |
| §135 | 120 | 7 | 5.4 | W. Koot. Pr. pf | .... | (— bid — asked) | | | |
| 1.75 | 1.00 | . | ... | West. C. Flour. | .... | (1.00 bid 1.25 asked) | | | |
| 25¼ | 18 | . | ... | Do. pref. | .... | (16 bid 20 asked) | | | |
| 60 | 46 | 3+1 | 7.3 | West Grocers | .... | (44¼ bid — asked) | | | |
| 115 | 111 | 7 | 6.1 | Do. pref. | .... | (96 bid 110 asked) | | | |
| §11¾ | 11¾ | 50c | 4.2 | W'minster Pap. | .... | (— bid — asked) | | | |
| 11¼ | 9 | 80c | 8.6 | Weston Ltd. | 239 | 9¾ | 9¾ | 9 | 9 |
| 98 | 90 | 5 | 5.4 | Do. pref. | .... | (92¼ bid 95 asked) | | | |
| 18¼ | 15¾ | 1 | 6.2 | Wilsils | 140 | 16 | 16¼ | 16 | 16 |
| 1.15 | .50 | . | ... | Winnipeg El. A | 200 | .75 | .75 | .75 | .75 |
| 1.40 | .65 | . | ... | Do. (B) | .... | (— bid .85 asked) | | | |
| 8 | 4 | . | ... | Do. pref. | 5 | 4¼ | 4 | 4 | 4 |
| 85 | 74 | 7 | 8.5 | Wood A. & J. p | .... | (— bid 85 asked) | | | |
| 50 | 45 | . | ... | Woods Mfg.. pf. | .... | (45 bid — asked) | | | |
| 5¼ | 5 | ‡20c | ... | York Knitting. | .... | (5 bid 5¼ asked) | | | |
| •100 | 100 | 7 | 7 | Do. 1st pref. | .... | (— bid — asked) | | | |
| 11 | 8¼ | 80c | 7.3 | Zellers | .... | (10¼ bid 11¼ asked) | | | |
| 24¼ | 24¼ | 1.50 | 6.1 | Do. pref. | .... | (— bid 25 asked) | | | |

Quotations: §1940. •1939. •1938.
♦Paid in 1940.
▲On account of arrears.
‡Paid or payable in 1941 to date.
■Participating.

## Mining Stocks

Week Ending May 12

### A

| Par Val. | Range 1941 High | Low | Company | Sales | Close May 5 (or last) | High for week | Low for week | Close May 12 |
|---|---|---|---|---|---|---|---|---|
| No | .17 | .07 | Aldermac | 4,689 | .08½ | .09½ | .07½ | .09 |
| 1 | .01½ | .01 | Amm. Gold | ...... | (.00½ bid .01½ asked) | | | |
| No | 2.75 | 1.90 | Anglo-Huronian | 2,406 | 2.00 | 2.10 | 1.90 | 1.90 |
| No | .30 | .30 | Argus Interests | ...... | (.... bid .40 asked) | | | |
| No | •.03 | .01 | Arno | ...... | (.... bid .02 asked) | | | |
| 1 | .09 | .03½ | Arntfield | 36,800 | .04¾ | .06 | .04½ | .06 |
| 1 | .05½ | .03½ | Ashley | 500 | .04¾ | .04½ | .04¾ | .04½ |
| 1 | .05 | .03 | Astoria Quebec | ...... | (.02 bid .04 asked) | | | |
| 1 | 2.45 | 1.63 | Aunor Gold | 3,200 | 1.70 | 1.75 | 1.73 | 1.75 |

### B

| Par Val. | Range 1941 High | Low | Company | Sales | Close May 5 (or last) | High for week | Low for week | Close May 12 |
|---|---|---|---|---|---|---|---|---|
| 1 | .16½ | .05 | Bagamac | ...... | (.08½ bid .10 asked) | | | |
| 1 | .08 | .04 | Bankfield | 100 | .05 | .04 | .04 | .04 |
| No | .11 | .07 | Base Metals | 1,600 | .08 | .07½ | .07½ | .07½ |
| 1 | .15 | .09½ | Bear Exploration | 3,000 | .09½ | .10 | .09½ | .09½ |
| 1 | 1.24 | 1.00 | Beattie Gold | 817 | 1.07 | 1.08 | 1.00 | 1.00 |
| 1 | .09 | .05 | Beaufor | ...... | (.05 bid .06 asked) | | | |
| 1 | 1.00 | .90 | Berens River | ...... | (.... bid 1.00 asked) | | | |
| 1 | .13½ | .07 | Bidgood Kirk. | 9,700 | .08 | .08½ | .08 | .08½ |
| 1 | .05 | .03 | Big Missouri | ...... | (.04 bid .... asked) | | | |
| 1 | .11 | .05 | Bobjo | 11,100 | .06 | .07½ | .06½ | .07½ |
| 1 | .02½ | .02 | Bouscadillac G.M. | ...... | (.02 bid .03 asked) | | | |
| No | 10.50 | 9.50 | Bralorne | 735 | 9.90 | 9.85 | .975 | 9.75 |
| 1 | .03 | .02½ | Brazil Gold | ...... | (.01¾ bid .02¾ asked) | | | |
| 1 | .01½ | .00¾ | Brett Trethewey | 5,000 | .00¾ | .00¾ | .00¾ | .00¾ |
| 1 | 1.10 | .71 | Broulan Porc. | 10,900 | .82 | .84 | .82 | .83 |
| 1 | 5.95 | 3.45 | Buffalo Ankerite | 365 | 3.70 | 3.60 | 3.55 | 3.60 |
| No | .06 | .02½ | Buffalo Can. | 2,000 | .03½ | .04½ | .04 | .04½ |
| 5 | 19.00 | 14.87 | Bulolo Gold | 100 | 14.87 | 15.00 | 15.00 | 15.00 |
| No | .02 | .01¼ | Bunker Hill | ...... | (.01½ bid .03 asked) | | | |

### C

| Par Val. | Range 1941 High | Low | Company | Sales | Close May 5 (or last) | High for week | Low for week | Close May 12 |
|---|---|---|---|---|---|---|---|---|
| No | .59 | .47 | Can. Malartic | 1,000 | .50 | .52 | .52 | .52 |
| 1 | .00½ | .00¼ | Capital Rouyn | ...... | (.00½ bid .01½ asked) | | | |
| 1 | 2.91 | 2.30 | Cariboo Gold | 250 | 2.49 | 2.50 | 2.42 | 2.50 |
| 1 | .01 | .01 | Cartier Malartic | ...... | (.01 bid .... asked) | | | |
| 1 | .55 | .40 | Castle Trethewey | 14 | .51 | .40 | .40 | .40 |
| 1 | .07 | .05 | Cen. Cadillac | ...... | (.... bid .06 asked) | | | |
| 1 | .01½ | .01¼ | Cen. Manitoba | ...... | (.... bid .... asked) | | | |
| 1 | 1.95 | 1.65 | Cen. Patricia | 2,000 | 1.65 | 1.70 | 1.65 | 1.65 |
| 1 | .18 | .09 | Cen. Porcupine | 15,700 | .16½ | .17½ | .16½ | .16½ |
| 1 | .18¾ | .16 | Century Mining | ...... | (.... bid .16 asked) | | | |
| 1 | 1.74 | 1.24 | Chesterville | 1,425 | 1.26 | 1.27 | 1.25 | 1.25 |
| No | .35 | .12 | Chromium | 6,725 | .23 | .35 | .25 | .35 |
| 5 | 1.05 | .50 | Coast Copper | ...... | (.... bid 1.15 asked) | | | |
| 1 | 1.04 | .68 | Cochenour Willans | 5,500 | .68 | .70 | .69 | .70 |
| 5 | 1.55 | 1.35 | Coniagas | ...... | (1.45 bid .... asked) | | | |
| No | 1.55 | 1.15 | Coniaurum | 2,300 | 1.20 | 1.20 | 1.15 | 1.20 |
| 5 | 39.50 | 31.75 | Cons. Smelters | 2,253 | 33.00 | 32.50 | 31.75 | 32.00 |

### D, E

| Par Val. | Range 1941 High | Low | Company | Sales | Close May 5 (or last) | High for week | Low for week | Close May 12 |
|---|---|---|---|---|---|---|---|---|
| 1 | 1.24 | .80 | Delnite | 500 | .80 | .80 | .80 | .80 |
| 1 | .03½ | .02½ | Denison Nickel | ...... | (.03½ bid .03½ asked) | | | |
| No | 25.00 | 21.00 | Dome Mines | 1,805 | 21.50 | 22.00 | 21.50 | 21.75 |
| 1 | .02 | .01¼ | Dorval Siscoe | ...... | (.01¾ bid .02 asked) | | | |
| 1 | .16¾ | .08½ | Duquesne | 4,500 | .10 | .10 | .09 | .09½ |
| 1 | 2.95 | 2.25 | East Malartic | 6,700 | 2.27 | 2.30 | 2.25 | 2.25 |
| 1 | .52 | .32 | Eldorado | 900 | .35 | .36 | .35 | .36 |

### F, G

| Par Val. | Range 1941 High | Low | Company | Sales | Close May 5 (or last) | High for week | Low for week | Close May 12 |
|---|---|---|---|---|---|---|---|---|
| No | 2.60 | 1.92 | Falconbridge | 250 | 2.55 | 2.50 | 2.25 | 2.30 |
| 1 | .06 | .03 | Federal | 2,000 | .04½ | .04 | .04 | .04 |
| 1 | .06½ | .01¾ | Fernland | 5,500 | .02 | .02 | .01¾ | .02 |
| No | .55 | .35 | Francoeur Gold | 300 | .39 | .38 | .38 | .38 |
| 1 | .04½ | .03½ | Gillies Lake | ...... | (.03½ bid .04 asked) | | | |
| 1 | .02 | .01¾ | Glenora | ...... | (.01 bid .02 asked) | | | |
| No | .39 | .22 | God's Lake | 5,400 | .25 | .25½ | .25 | .25 |
| 1 | .16¾ | .11 | Goldale | 2,000 | .12 | .13 | .12 | .13 |
| 50c. | .29 | .25 | Gold Belt | ...... | (.20 bid .... asked) | | | |
| 1 | .10 | .04 | Gold Eagle | 7,000 | .04½ | .04½ | .04 | .04 |
| 1 | .13 | .05 | Golden Gate | 7,200 | .07½ | .08 | .07½ | .07½ |
| 1 | .02 | .00¾ | Goodfish | ...... | (.... bid .01 asked) | | | |
| 1 | .02½ | .01¾ | Graham Bosquet | ...... | (.01½ bid .02¾ asked) | | | |
| No | .06¾ | .03½ | Grandora | 1,000 | .03½ | .04 | .04 | .04 |
| 1 | .01½ | .01½ | Grull Wihksne | ...... | (.01 bid .04 asked) | | | |
| 1 | .38 | .23 | Gunnar Gold | 3,000 | .24 | .25 | .23 | .25 |

### H, I, J

| Par Val. | Range 1941 High | Low | Company | Sales | Close May 5 (or last) | High for week | Low for week | Close May 12 |
|---|---|---|---|---|---|---|---|---|
| 1 | .09¾ | .05 | Halcrow Swayze | 640 | .08½ | .07 | .06 | .07 |
| 1 | .01¾ | .01 | Halliwell Gold | 500 | .01 | .01 | .01 | .01 |
| 1 | 5.40 | 4.85 | Hallnor Mines | 20 | 5.00 | 4.85 | 4.85 | 4.85 |
| 1 | 1.10 | .70 | Hard Rock | 2,860 | .73 | .74 | .71 | .72 |
| 1 | .08 | .03 | Harker | 1,500 | .03 | .03 | .03 | .03 |
| 1 | .58 | .50 | Hedley Mascot | ...... | (.40 bid .... asked) | | | |
| 5 | 13.12 | 12.00 | Hollinger | 1,675 | 12.75 | 12.87 | 12.63 | 12.75 |
| 1 | .30 | .20 | Howey Gold | 4,900 | .22 | .22½ | .21½ | .22 |
| No | 27.00 | 24.00 | Hudson Bay | 1,840 | 24.00 | 24.63 | 24.00 | 24.00 |
| 1 | .33 | .20 | Inspiration | 2,950 | .23 | .28 | .22 | .22 |
| No | 36.75 | 29.63 | Int. Nickel | 4,256 | 29.63 | 31.25 | 29.75 | 31.00 |
| 50c. | .90 | .85 | Island Mountain | ...... | (.... bid .95 asked) | | | |
| 1 | .02½ | .01½ | Jacola | 1,000 | .01½ | .01½ | .01½ | .01½ |
| 1 | .27 | .10 | Jack Waite | 500 | .13 | .13 | .13 | .13 |
| 1 | .46 | .36 | Jason Mines | 10,000 | .38 | .38 | .36 | .36 |
| 1 | .03 | .01 | Jellicoe | ...... | (.01½ bid .02 asked) | | | |
| 1 | .01¾ | .00¾ | J. M. Cons. Gold | 2,000 | .00¾ | .00¾ | .00¾ | .00¾ |
| 1 | .01½ | .01¾ | Joliet Quebec | ...... | (.01 bid .01½ asked) | | | |

### K, L

| Par Val. | Range 1941 High | Low | Company | Sales | Close May 5 (or last) | High for week | Low for week | Close May 12 |
|---|---|---|---|---|---|---|---|---|
| 1 | 3.95 | 3.05 | Kerr Addison | 7,515 | 3.75 | 3.80 | 3.75 | 3.80 |
| 1 | .41 | .41 | Kerr Lake | ...... | (.79 bid .82 asked) | | | |
| 1 | .02 | .01 | Kirk. Gold Rand. | ...... | (.02½ bid .05 asked) | | | |
| 1 | .42 | .15 | Kirk. Hud. Bay | 3,000 | .35 | .40 | .37 | .40 |
| 1 | 1.05 | .78 | Kirkland Lake | 12,100 | .83 | .82½ | .78 | .79 |
| 1 | .10 | .07½ | Kirk. Townsite | ...... | (.08 bid .... asked) | | | |
| 1 | 21.00 | 18.25 | Lake Shore | 670 | 18.25 | 19.00 | 18.50 | 18.75 |
| 1 | 5.15 | 4.20 | Lamaque Gold | 560 | 4.35 | 4.35 | 4.30 | 4.35 |
| 1 | .12½ | .06 | Lapa Cadillac | 2,700 | .08 | .09 | .08½ | .08½ |
| 1 | .02½ | .01½ | Lebel Oro | ...... | (.01½ bid .02 asked) | | | |
| 1 | .60 | .45 | Leitch Gold | 1,000 | .47 | .48 | .46 | .46 |
| No | 2.06 | 1.65 | Little Long Lac | 2,520 | 1.85 | 1.86 | 1.78 | 1.80 |

### M

| Par Val. | Range 1941 High | Low | Company | Sales | Close May 5 (or last) | High for week | Low for week | Close May 12 |
|---|---|---|---|---|---|---|---|---|
| 1 | 4.30 | 3.45 | Macassa | 4,105 | 3.75 | 3.85 | 3.75 | 3.85 |
| 1 | 2.35 | 1.50 | MacLeod Cockshutt | 9,850 | 1.60 | 1.60 | 1.50 | 1.58 |
| 1 | .70 | .50 | Madsen Red Lake | 6,900 | .60 | .60 | .56½ | .57 |
| 1 | 1.17 | .86 | Malartic Gold | 8,900 | .89 | .90 | .86 | .86 |
| No | .09 | .05 | Mandy | ...... | (.05 bid .08 asked) | | | |
| No | .01 | .00¾ | Man. & Eastern | 6,000 | .00¾ | .00¾ | .00¾ | .00¾ |
| 1 | .04 | .01¾ | Maralgo | 250 | .01¾ | .01¾ | .01¾ | .01¾ |
| 5 | 52.25 | 46.00 | McIntyre | 640 | 48.00 | 47.75 | 47.00 | 47.50 |
| 1 | 1.32 | 1.01 | McKenzie R. L. | 3,200 | 1.05 | 1.09 | 1.05 | 1.09 |
| 1 | .09 | .04 | McVittie Graham | ...... | (.04 bid .... asked) | | | |
| No | .25 | .16 | McWatters | 2,600 | .19 | .19 | .16 | .16 |
| 5 | •.39 | .39 | Mentor Exploration | ...... | (.... bid .49 asked) | | | |
| No | .83 | .55 | Mining Corp. | 2,900 | .71 | .73 | .71 | .71 |
| 1 | •.05 | .05 | Moffatt Hall | ...... | (.01½ bid .... asked) | | | |
| 1 | .55 | .41 | Moneta | 6,550 | .44 | .44 | .41 | .41 |
| 1 | .06 | .02 | Morris Kirk. | 7,500 | .02¼ | .02 | .02 | .02 |
| 1 | .03½ | .01 | Murphy | ...... | (.02½ bid .03 asked) | | | |

### N, O

| Par Val. | Range 1941 High | Low | Company | Sales | Close May 5 (or last) | High for week | Low for week | Close May 12 |
|---|---|---|---|---|---|---|---|---|
| 1 | .31 | .21½ | Naybob | 4,800 | .24½ | .24½ | .23 | .23 |
| 1 | .75 | .75 | Negus | ...... | (.70 bid .80 asked) | | | |
| No | .02 | .01 | Newbec | 500 | .01½ | .01½ | .01½ | .01½ |
| 1 | .03 | .03 | New Golden Rose | ...... | (.01 bid .04½ asked) | | | |
| 5 | 1.18 | .75 | Nipissing | ...... | (1.10 bid 1.15 asked) | | | |
| No | 58.00 | 49.75 | Noranda | 3,535 | 49.75 | 50.00 | 49.75 | 50.37 |
| No | .52 | .30 | Nor. Canada | ...... | (.35 bid .40 asked) | | | |
| 1 | .04 | .02½ | Norgold | ...... | (.03 bid .03½ asked) | | | |
| No | .45 | .25 | Normetals | 2,400 | .40 | .40 | .35 | .36 |
| 1 | 5.00 | 5.00 | Northern Empire | ...... | (4.75 bid .... asked) | | | |
| 1 | 1.15 | .55 | O'Brien | 1,210 | .56 | .60 | .56 | .56 |
| 1 | .18 | .10 | Omega | 926 | .10 | .13 | .12 | .12 |
| 1 | .09 | .05 | Osisko | --- | (.04 bid .06 asked) | | | |

### P, Q, R

| Par Val. | Range 1941 High | Low | Company | Sales | Close May 5 (or last) | High for week | Low for week | Close May 12 |
|---|---|---|---|---|---|---|---|---|
| No | 1.65 | .90 | Pamour | 7,432 | 1.15 | 1.16 | 1.04 | 1.05 |
| 1 | .08½ | .08¼ | Pandora | 1,000 | .04½ | .04½ | .04 | .04 |
| 1 | 2.70 | 2.25 | Pato Cons. G. | ...... | (2.50 bid 2.75 asked) | | | |
| 1 | .05 | .02 | Partanen Mal. | 500 | .03 | .03 | .03 | .03 |
| 1 | .01 | .00½ | Pawnee Kirk. | 5,000 | .00½ | .00½ | .00½ | .00½ |
| 1 | .28 | .17½ | Paymaster | 4,500 | .19½ | .19 | .17½ | .18½ |
| 1 | 2.10 | 1.20 | Pend Oreille | 1,450 | 1.25 | 1.45 | 1.30 | 1.41 |
| 1 | 1.69 | 1.25 | Perron Gold | 2,000 | 1.30 | 1.38 | 1.27 | 1.35 |
| 1 | 3.00 | 2.30 | Pickle Crow | 2,200 | 2.30 | 2.38 | 2.30 | 2.38 |
| 1 | 2.30 | 1.90 | Pioneer Gold B.C. | 375 | 2.10 | 2.05 | 1.90 | 1.90 |
| 1 | 9.50 | 9.00 | Placer Devel. | ...... | (.... bid 9.50 asked) | | | |
| 1 | 1.04 | .62 | Powell Rouyn | 500 | .62½ | .62½ | .62 | .62 |
| 1 | .95 | .85 | Premier Gold | 900 | .92 | .90 | .90 | .90 |
| 1 | 3.40 | 2.70 | Preston E. Dome | 6,530 | 2.92 | 2.96 | 2.90 | 2.90 |
| No | .20 | .20 | Prospectors Air's | ...... | (.15 bid .59 asked) | | | |
| 1 | .25 | .20 | Quebec Gold | 200 | .22 | .20½ | .20½ | .20½ |
| No | .05 | .04 | Quemont | ...... | (.03 bid .04 asked) | | | |
| No | .03 | .01½ | Red Crest | ...... | (.02½ bid .04 asked) | | | |
| 1 | .10 | .10 | Reeves McDonald | ...... | (.10 bid .... asked) | | | |
| 1 | .13½ | .10 | Reno Gold | ...... | (.10 bid .13½ asked) | | | |
| 1 | .00½ | .00½ | Robb Montbray | ...... | (.... bid .00½ asked) | | | |
| 1 | .05 | .02 | Roche Long Lac | 2,500 | .03½ | .03½ | .03½ | .03½ |

### S, T, U, V, W, Y

| Par Val. | Range 1941 High | Low | Company | Sales | Close May 5 (or last) | High for week | Low for week | Close May 12 |
|---|---|---|---|---|---|---|---|---|
| 1 | 2.65 | 2.03 | San Antonio | 5,903 | 2.10 | 2.16 | 2.10 | 2.10 |
| 1 | .07½ | .04 | Sand River | 2,000 | .04½ | .04½ | .04 | .04 |
| 1 | .59 | .36 | Senator Rouyn | 6,250 | .42 | .42 | .40 | .40 |
| 1 | .04 | .01 | Shawkey | 1,300 | .01½ | .01½ | .01½ | .01½ |
| 50c. | .88 | .73 | Sheep Creek | ...... | (.70 bid .80 asked) | | | |
| 1 | .87 | .60 | Sherritt Gordon | 5,985 | .65 | .70 | .65 | .70 |
| 1 | 8.90 | 7.00 | Sigma Mines | 1,333 | 7.15 | 7.20 | 7.15 | 7.20 |
| 1 | .69 | .50 | Siscoe | 19,533 | .58 | .58 | .56 | .58 |
| 1 | .43 | .15 | Sladen Malartic | 300 | .16 | .16 | .16 | .16 |
| 1 | .19½ | .06½ | Slave Lake | 42,700 | .09 | .08½ | .06½ | .07½ |
| 1 | .15 | .08½ | St. Anthony | 1,200 | .10 | .09½ | .09½ | .09½ |
| No | 1.78 | .81 | Steep Rock | 2,950 | 1.00 | 1.04 | 1.00 | 1.03 |
| No | .04½ | .02½ | Straw Lake | 2,000 | .03 | .03½ | .02½ | .03½ |
| 1 | .24 | .15 | Sturgeon River | 600 | .16 | .15 | .15 | .15 |
| No | 1.65 | 1.10 | Sudbury Basin | 50 | 1.22 | 1.10 | 1.10 | 1.10 |
| 1 | .05½ | .03 | Sudbury Contact | ...... | (.02½ bid .... asked) | | | |
| 1 | .66 | .52 | Sullivan Cons. | 1,350 | .53 | .55 | .52 | .55 |
| 1 | 2.95 | 2.35 | Sylvanite | 850 | 2.35 | 2.50 | 2.40 | 2.50 |
| 1 | 3.75 | 2.95 | Teck Hughes | 5,830 | 3.00 | 3.10 | 2.95 | 2.95 |
| 1 | .08½ | .04 | Temiskaming | ...... | (.04½ bid .06 asked) | | | |
| 1 | 1.80 | 1.50 | Toburn Gold | 100 | 1.60 | 1.50 | 1.50 | 1.50 |
| 1 | .14 | .08 | Towagmac | 3,700 | .09½ | .12 | .11½ | .12 |
| 1 | .50 | .25 | Trans. Resources | 1,500 | .25 | .25 | .25 | .25 |
| 1 | .39 | .06 | Uchi Gold | 16,016 | .07½ | .14 | .08 | .14 |
| | 84.00 | 40.00 | Do., Bonds | ...... | (40.00 bid 49.00 asked) | | | |
| 1 | 2.28 | 1.27 | Upper Canada | 9,700 | 1.85 | 1.90 | 1.85 | 1.89 |
| No | 4.25 | 2.75 | Ventures | 5,398 | 3.20 | 3.20 | 2.95 | 3.20 |
| No | 4.20 | 3.00 | Waite Amulet | 4,268 | 3.20 | 3.40 | 3.20 | 3.40 |
| 1 | .26 | .15 | Wendigo | 2,100 | .16 | .18 | .17 | .17 |
| 1 | .01½ | .01 | Wiltsey Coughlan | 500 | .01 | .01½ | .01½ | .01½ |
| 1 | .10 | .05½ | Wood Cadillac | 300 | .05½ | .06 | .06 | .06 |
| No | 7.05 | 5.00 | Wright-Hargreaves | 10,845 | 5.25 | 5.25 | 5.00 | 5.05 |
| No | .08 | .04 | Ymir Girl | 3,500 | .05 | .06 | .05½ | .06 |

## Oil Stocks

| Par Val. | Range 1941 High | Low | Company | Sales | Close May 5 (or last) | High for week | Low for week | Close May 12 |
|---|---|---|---|---|---|---|---|---|
| No | .11½ | .05½ | Acme Gas & Oil | ...... | (.06 bid .09 asked) | | | |
| 1 | .09 | .07 | Alta. Pac. Cons. | 1,000 | .07 | .07 | .07 | .07 |
| 1 | .18 | .10 | Ajax | ...... | (.10 bid .... asked) | | | |
| No | .81 | .46 | Anglo Canadian | 2,900 | .50 | .55 | .51 | .52 |
| No | .12 | .06½ | Br. Dominion | ...... | (.05½ bid .... asked) | | | |
| No | .10 | .05 | Brown Oil | ...... | (.06½ bid .08 asked) | | | |
| No | 1.49 | 1.08 | Calgary & Ed. | 1,000 | 1.10 | 1.20 | 1.12 | 1.15 |
| 1 | .26 | .16 | Calmont | 1,600 | .18 | .17 | .16 | .16 |
| No | .26 | .20 | Commoil | ...... | (.18 bid .22 asked) | | | |
| No | .22 | .19½ | Common Pete | 4,200 | .20 | .20 | .20 | .20 |
| No | .32 | .20 | Dalhousie | 823 | .25 | .25 | .20 | .20 |
| No | .16½ | .11½ | Davies Pete | 3,721 | .13 | .14 | .12 | .13 |
| No | .05 | .02½ | East Crest | 1,000 | .03½ | .02½ | .02½ | .02½ |
| No | .16½ | .12 | Extension Oil | 1,500 | .13 | .13 | .12 | .12 |
| No | .30 | .23½ | Federated Pete | ...... | (.23 bid .25 asked) | | | |
| 25c. | .04½ | .02½ | Firestone Pete | 500 | .03 | .02½ | .02½ | .02½ |
| No | .80 | .45 | Foothills | 100 | .45 | .45 | .45 | .45 |
| 25c. | .08 | .03½ | Foundation Pete | 1,000 | .04 | .03½ | .03½ | .03½ |
| No | •.18 | .06 | Hargal | ...... | (.... bid .20 asked) | | | |
| No | .15 | .08 | High Sarcee | 1,000 | .10 | .09 | .09 | .09 |
| No | 2.55 | 1.50 | Home | 4,314 | 1.50 | 1.76 | 1.65 | 1.66 |
| 1 | .02 | .01 | Homestead O. & G. | 9,000 | .02 | .02 | .01½ | .02 |
| No | .08 | .04½ | McD. Segur | ...... | (.04 bid .... asked) | | | |
| 1 | •.30 | .16 | Model | ...... | (.... bid .20 asked) | | | |
| 25c. | .06 | .03½ | Monarch Royalties | 1,000 | .04 | .03½ | .03½ | .03½ |
| 25c. | .05 | .05 | National Petroleum | ...... | (.05 bid .... asked) | | | |
| 1 | .06 | .03 | Nordon | 1,000 | .04 | .04½ | .04½ | .04½ |
| No | .02½ | .01½ | Oil Selections | 500 | .02 | .02 | .02 | .02 |
| No | .78 | .35 | Okalta | 450 | .45 | .40 | .35 | .40 |
| No | .04½ | .02½ | Pacalta | 10,000 | .02½ | .04½ | .03 | .03½ |
| 1 | .27 | .15 | Pacific Petroleum | 100 | .20 | .17 | .17 | .17 |
| No | .30 | .25 | Petrol Oil & Gas | ...... | (.25 bid .50 asked) | | | |
| 25c. | .09 | .04 | Prairie Royalties | 600 | .05½ | .05½ | .05½ | .05½ |
| No | 22.00 | 16.50 | Royalite | 455 | 18.00 | 19.00 | 18.00 | 18.50 |
| No | .30 | .23 | South West Pete. | ...... | (.10 bid .25 asked) | | | |
| No | .04 | .01½ | South End | 40,500 | .01½ | .04 | .02½ | .02½ |
| 5 | 1.25 | .90 | Texas Can. | 20 | 1.00 | 1.00 | 1.00 | 1.00 |
| No | .04½ | .03½ | United Oils | ...... | (.02½ bid .04 asked) | | | |
| 1 | .02½ | .01½ | Vermilata | ...... | (.01 bid .04 asked) | | | |
| 1 | .34 | .25 | Vulcan | ...... | (.... bid .30 asked) | | | |
| No | .02½ | .01 | West Flank | 12,800 | .02 | .02 | .02 | .02 |

## Vancouver Stocks

[illegible]

## Oil Quotations

[illegible]

## Winnipeg Stocks

(Transactions from May 5 to May 10)

[illegible]

Stocks Not Traded in During Week

[illegible]

## Volume of Stock Sales

[illegible]

## Government Bonds

Dominion of Canada Bonds (Supplied by Investment Dealers' Assoc. of Canada)

May 14, 1941

| % | Due | Bid | Ask | Approx. Yld. |
|---|---|---|---|---|
| 5 | Nov. '41 | 101¼ | 102¼ | 1.20 |
| 1½ | May '42 | 100¼ | 100⅜ | .83 |
| 2 | June '42 | 100¼ | 101¼ | .75 |
| 3 | Oct. '42 | 102¼ | 102¾ | 1.10 |
| 2½ | June '43 | 101¼ | 102¼ | 1.21 |
| 5 | Oct. '43 | 107¼ | 108¼ | 1.56 |
| 2 | June '44 | 100¼ | 101¼ | 1.46 |
| a2½ | Jan. '44 | 96¼ | 97½‡ | 3.35 |
| 4½ | Oct. '44 | 103¼ | 108½ | 1.85 |
| 2½ | Nov. '44 | 102¼ | 103 | 1.62 |
| a2½ | Aug. '45 | 94¼ | 95½‡ | 3.60 |
| 4 | Oct. '45 | 105 | 105¾ | b1.60 |
| 4½ | Feb. '46 | 109¼ | 110¼ | 2.13 |
| 3½ | June '49 | 102¼ | 103¼ | b2.51 |
| 3½ | Oct. '49 | 102¼ | 103¼ | b2.44 |
| 3½ | Nov. '51 | 101¼ | 102 | b2.95 |
| 3½ | Feb. '52 | 101¼ | 102¼ | b2.87 |
| a5 | May '52 | 101¼ | ‡102¼ | b2.70 |
| 4 | Oct. '52 | 105¾ | 106¼ | b2.91 |
| 3 | Oct. '52 | 98¼ | 99¼ | 3.07 |
| 3 | June '55 | 98¼ | 99¼ | 3.07 |
| 4½ | Nov. '56 | 107¼ | 108¼ | b2.89 |
| 4½ | Nov. '57 | 108 | 108¼ | b3.01 |
| 3 | June '58 | 98¼ | 99 | 3.07 |
| 4½ | Nov. '58 | 108¼ | 109 | b3.15 |
| 4½ | Nov. '59 | 109¼ | 110 | b3.15 |
| a4 | Oct. '60 | 97¼ | 98¼ | ‡4.13 |
| a3½ | Jan. '61 | 89¼ | 90‡ | ‡3.92 |
| 3½ | June '66 | 100¼ | 101¼ | b3.15 |
| a3e | Jan. '67 | 87¼ | 88¼‡ | 3.69 |
| a3e | Nov. '68 | 87¼ | 88¼‡ | 3.67 |
| †3 | Perpet'l. | 91 | 91¼ | 3.27 |
| **Dominion Guarant'd Bonds** | | | | |
| **Can. Nat'l. Railways:** | | | | |
| 2 | Feb. '43 | 100¼ | 101¼ | 1.17 |
| 2½ | Jan. '46 | 100¼ | 101¼ | 1.92 |
| 3 | May '44 | 103 | 104 | 1.65 |
| 3 | Dec. '50 | 99 | 100 | 3.00 |
| 3 | Feb. '53 | 98 | 99 | 3.10 |
| 3 | Jan. '59 | 96¾ | 97¾ | 3.17 |
| *4½ | Sept. '51 | 113¼ | 114¼ | 2.90 |
| *4½ | Feb. '56 | 113¼ | 114¼ | 3.25 |
| 4½ | July '57 | 114¼ | 115¼ | 3.29 |
| *4½ | June '55 | 116 | 117 | 3.27 |
| 5 | Feb. '54 | 116¼ | 117¼ | 3.33 |
| *5e | July '69 | 113¼ | 114¼ | b1.80 |
| *5e | Oct. '69 | 118 | 119 | b2.96 |
| *5e | Feb. '70 | 117¼ | 118¼ | b3.12 |
| **Grand Trunk Pacific Rly.:** | | | | |
| 3 | Jan. '62 | 97 | 98¼ | 3.10 |
| **Provincial Gov't. Bonds** | | | | |
| **New Brunswick:** | | | | |
| 3 | Oct. '51 | 87 | 89 | 4.31 |
| 3½ | Aug. '49 | 90 | 92 | 4.40 |
| 3½ | June '56 | 88 | 90 | 4.40 |
| c4 | Nov. '47 | 96 | 98 | 4.35 |
| c4½ | Apr. '61 | 96¼ | 98¼ | 4.62 |
| c5 | Jan. '60 | 102 | 104 | 4.68 |
| **Nova Scotia:** | | | | |
| 3 | Jan. '52 | 93 | 94¼ | 3.61 |
| 3½ | June '56 | 93 | 94¼ | 3.72 |
| 3½ | Nov. '50 | 97 | 98¼ | 3.68 |
| c4½ | Sept. '52 | 104 | 106 | b3.43 |
| c4½ | Nov. '60 | 107 | 110 | 3.78 |
| c5 | Mar. '60 | 114 | 116 | 3.83 |
| **Ontario:** | | | | |
| 2½ | May '45 | 99¼ | 100¼ | 2.36 |
| 3 | Apr. '48 | 98¼ | 99¼ | 3.05 |
| 3 | Nov. '50 | 98¼ | 99¼ | 3.09 |
| 3½ | Nov. '51 | 99¼ | 100¼ | b3.15 |
| 3½ | May '55 | 99¼ | 100¼ | b3.22 |
| *4 | June '62 | 103 | 106 | 3.59 |
| 4½ | June '50 | 107¼ | 109 | 3.34 |
| *4½ | Jan. '62 | 110¼ | 113¼ | 3.57 |
| 4 | Oct. '48 | 109¼ | 111¼ | 3.30 |
| *5 | Dec. '60 | 118¼ | 120¼ | 3.33 |
| 5½ | July '46 | 110¼ | 111¼ | 3.02 |
| **Ont. Hydro Commission:** | | | | |
| 3 | Aug. '48 | 98¼ | 99¼ | 3.05 |
| 3½ | Feb. '53 | 99¼ | 100¼ | b3.15 |
| 3½ | Apr. '47 | 101¼ | 102¼ | 3.04 |
| **Prince Edward Island:** | | | | |
| 3 | Oct. '45 | 95 | 97 | 3.69 |
| **Quebec:** | | | | |
| 3 | Nov. '47 | 93 | 94¼ | 3.96 |
| 3½ | Mar. '48 | 94¼ | 96 | 3.92 |
| 3½ | Mar. '59 | 91 | 92¼ | 4.09 |
| 3½ | Feb. '55 | 95 | 96¼ | 4.06 |
| 4 | Mar. '52 | 98 | 99¼ | 4.05 |
| 4½ | Aug. '58 | 99 | 101 | 4.17 |
| 4½ | Jan. '63 | 101 | 104 | 4.22 |
| **Alberta:** | | | | |
| 4 | Dec. '54 | 52 | 56 | d |
| 4½ | Oct. '51 | 65¼ | 69¼ | d |
| c4½ | Oct. '56 | 54 | 58 | d |
| *5 | Oct. '59 | 56 | 60 | d |
| c5½ | Apr. '52 | 62 | 66 | d |
| 6 | Mar. '47 | 68 | 70 | d |
| **British Columbia:** | | | | |
| c4 | Dec. '57 | 96 | 100 | 4.00 |
| 4½ | Jan. '51 | 99 | 103 | 4.13 |
| c4½ | Oct. '53 | 99 | 103 | 4.20 |
| c5 | Apr. '54 | 102 | 106 | 4.40 |
| 5½ | Feb. '45 | 100 | 104 | 4.33 |
| 6 | Feb. '47 | 103 | 107 | 4.61 |
| **Manitoba:** | | | | |
| c4 | Dec. '57 | 85 | 89 | 4.98 |
| c4½ | Dec. '56 | 88 | 92 | 5.25 |
| *5 | Dec. '59 | 92 | 96 | 5.34 |
| 5½ | Oct. '55 | 92¼ | 96¼ | 5.85 |
| 6 | Apr. '47 | 94¼ | 98¼ | 6.30 |
| **Saskatchewan:** | | | | |
| 4 | Sept. '54 | 66 | 70 | 7.60 |
| 4 | Nov. '60 | 64 | 68 | 7.05 |
| c4½ | Oct. '51 | 80 | 84 | 6.83 |
| c4½ | Mar. '60 | 69 | 74 | 7.00 |
| 5 | Aug. '58 | 74¼ | 78¼ | 7.18 |
| 5½ | Oct. '52 | 76 | 81 | 8.06 |
| 6 | Mar. '52 | 81 | 86 | 7.93 |

*-Payable Can., N.Y. and £. b-Calculated to call date giving lowest possible yield. c-Payable Can. & N.Y. a-Payable N.Y. †-Callable on or after Sept. 15, 1966. d-Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e-Callable at a premium. ‡-N.Y. funds.

## Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

May 13, 1941

| | Bid | Ask |
|---|---|---|
| **Industrials:** | | |
| Acme Farm., pf. | 34 | 36¼ |
| Andian National | 26¼ | 28 |
| Anglo C. Tel., A | 7¼ | 7¾ |
| Atlas Steel | 20 | 25 |
| Barrymore, pfd. | 28 | .. |
| Blue T. Brew. A | 9¼ | 10¼ |
| Do., B | 6 | 7 |
| B. C. Pulp, c. | 9 | 11 |
| Do., pfd. | 55 | 60 |
| B. C. Sugar | 73¼ | 78 |
| B. C. Tel., 1st p. | 111 | 114 |
| Burns & Co., A | 3¼ | 4¼ |
| Do., B | 2 | 3¼ |
| Can. Co-op. Wl. | 8 | .. |
| C. I. L., A c. | 190 | .. |
| Do., pref. | 168 | 172 |
| Can. Ing. Rand | 72 | 77 |
| Can. Mot. L.A.B. | 2¼ | .. |
| Can. Tube, 1st p | 88 | .. |
| Can. West'ghouse | 42 | 44 |
| Chase, A. W., p. | 18¼ | 20 |
| Claude Neon, p. | 4¼ | 5¼ |
| Colonial Steam. | 13¼ | 16 |
| Copeland Fl. un. | 13¼ | 14¼ |
| Dom. Manuf., p. | 61 | 65 |
| Dunlop T. p. $25 | 23¼ | 24¼ |
| East. Steel, pf. | 19 | 22¼ |
| Easy Wash. p $10 | 10 | 12 |
| Goderich Elev. | 6¼ | 7¼ |
| Guelph Carp., c. | 18 | 21 |
| Gurney Fdry., p | 1 | 1¼ |
| Hayes Steel, c. | .. | 9 |
| Hi'land Dairy, p | 48 | 51 |
| Homewood San. | 100 | 120 |
| Kingst. Ship. un | 28 | 30 |
| Loblaw Inc., c. | 11 | 12 |
| Minn. & Ont. P. c | 2¼ | 3 |
| M'row Screw, p. | 100 | .. |
| Do., com. | 10 | 12 |
| Moirs, pfd. | 18 | .. |
| Mt. Royal H., c. | 2¼ | 3¼ |
| Morrison Br. un. | 4¼ | 6 |
| N. B. Tel., c. | 10 | 12¼ |
| Neilson, Wm., c. | 9 | .. |
| Do., pfd. | 100 | .. |
| N. Meth. Ldy. p | 53 | 57 |
| Ont. Tobacco, p. | 17 | 20 |
| Pac. C. Term., c. | 9 | 10¼ |
| Paterson, Wm. p | 103 | .. |
| Prov. Paper, pfd | 104 | 105¼ |
| Ruddy, E. L., p. | 22 | 25¼ |
| Stand. Fuel, p. | 58 | 62 |
| Stedman, pf, $50 | 56¼ | 58 |
| Tor. Carpet, c. | 40 | .. |
| Do., pfd. | 64 | 67 |
| Un. F. Co-op. | 2¼ | 3¼ |
| Un. Steel, A pf. | 21¼ | 23¼ |
| Viceroy Mfg., p. | 23¼ | .. |
| Do., com. | 12¼ | .. |
| Westons Hold. | 3 | .. |
| **Trusts & Loan Stocks:** | | |
| Brit. Mtge. | 122¼ | 132 |
| Brockville Tr. | 41 | .. |
| Capital Tr. | 30 | 32¼ |
| Com. Fin., c. | 2¼ | 3 |
| Grey&Br. Tr. $50 | 42 | 46 |
| Guaranty Trust. | 100 | 103 |
| Guelph & O. $50 | 50 | 53¼ |
| Indust. Mtge. | 24 | .. |
| Lambton Loan | 30 | 33 |
| London & West. | 34 | 37 |
| Midland Loan | 14 | 13¼ |
| Premier Trust | 61 | .. |
| Sherbrooke Tr. | 120 | .. |
| Sterling Trust | 55 | .. |
| Traders Fin. A c | 7¼ | 9¼ |
| Do., A pfd. | 83¼ | 87 |
| Trusts & Gr. new | 50 | 52¼ |
| Victoria Trust | 75 | 80 |
| Waterloo Tr. | 100 | .. |
| **Insurance Stocks:** | | |
| Canada Life | 400 | 415 |
| Brit. Amer. | 51 | 55 |
| Canadian Fire | 81 | 85 |
| Confed. 30% pd. | 135 | 140 |
| Continental L. | 35 | .. |
| Crown, fully pd. | 250 | 265 |
| Dominion Fire | 138 | .. |
| D. of Can. Gen. | 111 | 120 |
| Empire, 25% pd. | 6 | 7 |
| Excelsior 38% pd | 70 | .. |
| Federal, 25% pd. | 52 | .. |
| Great-West Life | 200 | 210 |
| Halifax Fire | 15¼ | 16¼ |
| Imperial Life | 300 | 315 |
| Manufac. Life | 225 | 245 |
| Monarch Life | 32 | .. |
| National Life | 25 | 28 |
| Sov. L. 25% pd. | 11¼ | .. |
| Sun Life | 300 | 320 |
| Tor. General | 4¼ | 5¼ |
| Wellington Fire. | 58 | .. |
| Western Assce. | 41 | 44 |
| **Theatre Stocks:** | | |
| Allen's King. un. | 59 | .. |
| Do. St. Cath. un | 50 | .. |
| Mansf. Theat. p. | 28 | 31 |
| Para. Kitch., p. | 50 | .. |
| Do., Oshawa c | 8¼ | 10 |
| **Investment Trust Shares:** | | |
| Can. Investors | 4 | 5 |
| Inv. Found. un. | 40 | 45 |
| Sec's, Hold., pf. | 18¼ | 21 |
| United Corp., A | 19 | 21 |
| Do., B | 3¼ | 4¼ |
| **Power Issues:** | | |
| Can. W. N. Gas | 25 | .. |
| Do., pfd. | 102 | 104¼ |
| Gt. Lakes Pr., p | 101 | 103 |
| Int. Ut., $1.75 p. | 14 | .. |
| Do., $3.50 p. | 33 | .. |
| Mtl. Is. Pwr., p. | 37 | .. |
| Nor. Ont. Pr., p. | 70 | 75 |

## Unlisted Mines

Toronto, May 13, 1941

| | Bid | Ask |
|---|---|---|
| Addington | .00¼ | .01¼ |
| Albany River (Old) | .03¼ | .05 |
| (New) | .07 | .10 |
| Amal Kirk | .05¼ | .06 |
| Anoki | .03¼ | .. |
| Aquarius | .15 | .19 |
| Arjon | .04 | .04¼ |
| Armistice | .12 | .13 |
| Argosy | .06¼ | .07¼ |
| Area | .02¼ | .03¼ |
| Athona (Old) | .01 | .02 |
| (New) | .01¼ | .02¼ |
| Barb Lard | .01¼ | .02¼ |
| Bilmac | .01¼ | .02 |
| Bonetal | .45 | .50 |
| Brock | .43 | .45 |
| Buf Bear | .. | .03 |
| Calder Bo | .02¼ | .03¼ |
| Central M | .02 | .02¼ |
| Cheminis | .02¼ | .03¼ |
| Coin Lake | .03¼ | .04 |
| Cons Chib | .05 | .07 |
| Crescent | .00¼ | .01 |
| Dayton | .01 | .02 |
| Demp Cad | .00¼ | .01 |
| Denovo | .10 | .12 |
| Desants n | .13 | .16 |
| Dona Pat | .01¼ | .02 |
| E Lacoma | .00¼ | .01 |
| Elmos | .05 | .07 |
| Franco | .19 | .23 |
| Galore | .01¼ | .02 |
| Gan Cop | .. | .06¼ |
| Gate Pat | .00¾ | .01¼ |
| Gilbec | .00¼ | .01 |
| Gord Leb | .00¼ | .00¾ |
| Highridge | .. | .10 |
| Hoyle nw | .24 | .27 |
| Hugh PaP | .05¼ | .06¼ |
| Hutch Lke | .01 | .01¼ |
| Jasper | .12 | .14 |
| Keora | .01¼ | .02¼ |
| Kenricia | .01¼ | .02 |
| Kewagama | .01¼ | .03 |
| Kiena | .01¼ | .02 |
| Kirk Gate | .01 | .02 |
| Lacoma | .01 | .01¼ |
| Laguerre | .15 | .16 |
| Lake Duf | .15 | .16 |
| Lake Gen | .09 | .11 |
| Lardego | .00¼ | .01 |
| Lw Pete | .13 | .16 |
| Magnet C | .80 | .84 |
| Magnet L | .17 | .21 |
| Magwell | .. | .02¼ |
| Martin Bir | .02¼ | .03 |
| Margaret | .09 | .10 |
| Mata Cana | .02¼ | .03 |
| Mata Con | .14 | .18 |
| McLellan | .20 | .22 |
| McMar'ac | .35 | .38 |
| MofHal n | .02 | .03¼ |
| Monarch | .01 | .02 |
| Mooshla | .01¼ | .02 |
| Mosher | .04¼ | .05¼ |
| McGregor | .01 | .02 |
| McManus | .02 | .03 |
| Nat Mal | .27 | .30 |
| New Aug | .27 | .29 |
| New Roy | .00¼ | .01 |
| Nickel O | .80 | .95 |
| Norbeau | .16 | .21 |
| Northland (1940) | .06 | .06 |
| Norwin | .04¼ | .06 |
| Numalake | .09 | .11 |
| Oklend | .04 | .04¼ |
| O'Leary | .01¼ | .02¼ |
| Ont Nickel | .07 | .08¼ |
| Opemiska | .03¼ | .04¼ |
| Oriole | .00¼ | .01¼ |
| Orpit | .06¼ | .07¼ |
| Ossian | .00¼ | .01¼ |
| Pascalis | .25 | .29 |
| Pontiac R (Old) | .02¼ | .. |
| Pelangio | .01¼ | .02¼ |
| Phoenix | .01¼ | .02¼ |
| Polaris | .07 | .09 |
| Propri'y | 2.65 | 2.80 |
| Presdor | .04 | .04¼ |
| Queb Man | .05¼ | .06¼ |
| Rahn Lake | .00¼ | .01¼ |
| Rand Mal | .05 | .07 |
| Red Lake | .01 | .02 |
| S.A.G.A. | 1.25 | 1.75 |
| Sachigo | 3.00 | 3.50 |
| Sanshaw Special | .07 | .09 |
| Mines L | .04 | .07 |
| Senore | .. | .08 |
| Shenango | .02¼ | .03 |
| Sheldon | .04¼ | .06 |
| Siscoe Ex | .01¼ | .02¼ |
| Skynner | .02¼ | .03¼ |
| Smelters G | .01 | .01¼ |
| Spooner | .. | .. |
| Sunbeam | .02 | .04 |
| Springer | .16 | .17 |
| Stadacona | .05 | .07 |
| Thomson | .11 | .13 |
| Thomp Cd | .01 | .02¼ |
| Treaty Pt | .06 | .. |
| Union Mn | .03 | .05 |
| Wasu | .04 | .08 |
| West Red | .01 | .01¼ |
| Woco | .01¼ | .02¼ |
| Y David'n | .28 | .28 |

## Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

May 13, 1941

[illegible]

## Supplementary Stock Quotations

(Furnished by Plaxton, Cherry & Co.)

May 13, 1941

[illegible]

## Corporation Bonds (Cont'd)

[illegible]

## Municipal Bonds

May 13, 1941

[illegible]

## Investment Trusts

[illegible]

## Annual Meetings

| 1941: | Company | Place |
|---|---|---|
| May 20 | Economic Inv. Trust | Toronto |
| May 20 | Louisiana Land & Explor. | Baltimore, Md. |
| May 20 | York Knitting Mills | Toronto |
| May 21 | Candn. Canners | Hamilton |
| May 20 | Canada Machinery | Galt |

## Dividends Declared

| | This payment | Date payable | Date of record |
|---|---|---|---|
| Agnew Surpass, p. | $1.75 | July 2 | June 16 |
| Auror Gold | 4c | June 2 | May 10 |
| Aluminium | $2 | June 5 | May 15 |
| Do., pref. | †$1.50 | June 1 | May 10 |
| Anglo-Can. Tel., A | 15c | June 2 | May 15 |
| Andian National | †$1.50 | June 2 | May 20 |
| Brit. Amer. Oil | 25c | July 2 | June 12 |
| Bank of Montreal | $2 | June 2 | Apr. 30 |
| Borden Co. | 30c | June 2 | May 15 |
| Bank of Toronto | $2.50 | June 2 | May 15 |
| Bertram & Sons | 15c | Aug. 15 | Aug. 1 |
| Bathurst Pr. P.A. | 25c | June 2 | May 15 |
| Brewers & Distil., p. | 50c | May 20 | Apr. 26 |
| Do., bonus | 10c | May 20 | Apr. 26 |
| Bk. Can. Nationale | $2 | June 2 | May 15 |
| Canada Cement, p. | $1.25 | June 20 | May 30 |
| Can. Cr. Stone | 10c | June 30 | June 15 |
| Can. Dom. Sugar | 37½c | June 2 | May 15 |
| Canada Dry | †15c | June 24 | June 10 |
| Can. Ind. Alc'l. A B | 10c | June 2 | May 15 |
| Can. W. & Cable, A | $1 | June 15 | May 31 |
| Do., B | 50c | June 15 | May 31 |
| Do., pref. | $1.62½ | June 15 | May 31 |
| Can. Marconi | 4c | June 1 | Apr. 15 |
| Cel. of Am., pr. pf. | $1.75 | July 1 | June 17 |
| Do., part. pref. | †$3.50 | June 30 | June 17 |
| Corr. Pap. Box, p | $1.75 | June 1 | May 15 |
| Do., | $1.75 | June 1 | May 15 |
| Commoil | 1c | May 26 | May 15 |
| Commonw'th Pet. | 2c | June 2 | May 10 |
| Can. Bakeries, pfd. | $2 | June 1 | May 22 |
| Can. For. Invest. p. | ▪$2 | July 1 | June 15 |
| Con. Div. S. Sec. p | 37½c | June 16 | May 31 |
| Crow's Nest Coal | $1.50 | June 2 | May 9 |
| Can. Gen. Electric | $2 | July 1 | June 14 |
| Canada Vinegars | 10c | June 2 | May 15 |
| Davies Pete. | 1c | June 5 | May 22 |
| Dom. Foundries, p. | $1.50 | June 2 | May 20 |
| Dome Mines | ▪50c | July 21 | June 30 |
| Dom. Bridge | 30c | May 23 | Apr. 30 |
| Dom. & Ang. Inv. | $2.50 | June 2 | May 15 |
| Do., pref. | $1.25 | June 2 | May 15 |
| Dom. Scot. Inv. p. | ▪$1.05 | June 2 | May 20 |
| Electrolux | †20c | June 16 | May 15 |
| Extension Oil | 1½c | May 31 | May 20 |
| Ford Motor, A, B | 25c | June 21 | May 31 |
| Granby Cons. | †15c | June 2 | May 17 |
| Gen. Stl. Wares, p. | $1.75 | May 20 | May 8 |
| Do., participating | 27c | May 20 | May 8 |
| Hallnor Mines | 15c | June 2 | May 10 |
| Hollinger Cons. | 5c | May 20 | May 6 |
| Inspiration Min. | ▲2c | May 30 | May 1 |
| Inter. Nickel, c. | †50c | June 30 | May 31 |
| Imperial Oil | 25c | June 2 | May 15 |
| Inter. Petroleum | 50c | June 2 | May 20 |
| Kelvinator of Can. | 25c | June 10 | May 27 |
| Loblaw Groc., A, B | 25c | June 2 | May 10 |
| Do., extra | 12½c | June 2 | May 10 |
| Lake of W. Mill. | 50c | June 2 | May 15 |
| Do., pref. | $1.75 | June 2 | May 15 |
| Little Long Lac | 10c | May 23 | May 8 |
| Laura Secord | 20c | June 1 | May 15 |
| McK. Red Lake | 3c | June 16 | June 2 |
| McIntyre Porc. | 55½c | June 2 | May 1 |
| Mod. Contain. | 20c | July 2 | June 20 |
| Do., extra | 10c | July 2 | June 20 |
| Do., pref. | $1.37½ | July 2 | June 20 |
| Montreal Loan | 31¼c | June 16 | May 31 |
| National Biscuit, p. | †$1.75 | May 31 | May 13 |
| N. S. Lt. & Pr., p. | $1.50 | June 2 | May 15 |
| Noranda Mines | $1 | June 16 | May 20 |
| Ogilvie Flour, pfd. | $1.75 | June 2 | May 17 |
| Pamour Porc. | 6c | June 2 | May 10 |
| Pressed Metals | †25c | June 2 | May 15 |
| Provincial Bank | $1.50 | June 2 | May 15 |
| Quebec Power | 25c | May 26 | Apr. 28 |
| Royal Bank | $2 | June 2 | Apr. 30 |
| Regent Knit, pref. | ‡40c | June 1 | May 15 |
| Rolland Paper, p. | $1.50 | June 2 | May 15 |
| Shawinigan W. | 22c | May 26 | Apr. 23 |
| Sylvanite Gold | 7c | June 30 | May 5 |
| Surf Inlet Cons. | ▪1c | May 30 | May 15 |
| Sherritt Gordon | ▪5c | June 25 | May 23 |
| Sherwin-Wms. pfd. | $1.75 | July 2 | June 15 |
| Do., arrears | $1.75 | July 2 | June 15 |
| Siscoe Gold | 2c | June 16 | May 16 |
| Stedman Bros. | 15c | July 2 | June 20 |
| Do., pref. | 75c | July 2 | June 20 |
| Stuart, D. A., Oil, p. | 20c | June 2 | May 15 |
| Toburn Gold | 3c | May 22 | Apr. 22 |
| Do., extra | 2c | May 22 | Apr. 22 |
| Un. Gold Eq. st. c. | 6c | June 30 | June 16 |
| Union Gas | 20c | June 14 | May 20 |
| Do., extra | 20c | June 14 | May 20 |
| Upper Can. Mines | 4c | May 31 | May 15 |
| United Steel, A p. | 75c | May 1 | Apr. 21 |
| United Amuse., A, B | 40c | May 31 | May 15 |
| Ventures | 10c | June 25 | June 10 |
| Vulcan Br. Pete. | 2c | May 30 | May 23 |
| Waite Amulet | 10c | June 16 | May 20 |
| Walker-Good. | $1 | June 16 | May 23 |
| Do., pref. | 25c | June 16 | May 23 |
| Wilsil | 25c | July 1 | June 14 |
| Wr.-Hargreaves | 10c | July 2 | May 21 |
| Do., extra | 5c | July 2 | May 21 |

†Payable in U. S. funds.

▪Subject to approval of Foreign Exchange Control Board.

▲Initial.

‡40c also payable Sept. 1 and Dec. 1.

## Mining Dividends

| | Rate | Close May 12 | Yield % |
|---|---|---|---|
| Anglo-Huronian | ‡10c | 1.90 | .. |
| Aunor Gold | ▲8c | 1.75 | .. |
| Beattie Gold | ‡16c+2c | 1.00 | *18 |
| Bralorne | 80c+40c | 9.75 | *12.3 |
| Broulan Porc. | 12c | .83 | 14.4 |
| Buffalo Ankerite | ▲10c | 3.60 | .. |
| Bulolo Gold | $3 | 15.00 | 20 |
| Can. Malartic | 8c | .52 | .. |
| Cariboo Gold | 16c+8c | 2.50 | *9.6 |
| Central Patricia | 16c+4c | 1.65 | *12.1 |
| Chesterville | 5c | 1.25 | .. |
| Cochenour Willans | 3c | .70 | .. |
| Coniagas | ‡25c | 1.35 | .. |
| Coniaurum | ‡16c+2c | 1.20 | *15 |
| Cons. Smelters | $1+$1.25 | 32.00 | *7 |
| Delnite | ‡6c | .80 | 7.5 |
| Dome Mines | $2 | 21.75 | 9.2 |
| East Malartic | ‡30c | 2.25 | 13.3 |
| Falconbridge | 5c | 2.30 | .. |
| Francoeur Gold | ‡3c | .38 | .. |
| Goldale | ‡2c | .13 | .. |
| Gold Belt | ▲2c | .26 | .. |
| Grandview | †.00½ | .11 | .. |
| Gunnar Gold | 6c | .24 | .. |
| Hallnor | 60c | 4.85 | 12.4 |
| Hard Rock | ‡10c | .72 | .. |
| Hedley Mascot | ▲4c | .50 | .. |
| Hollinger | 65c+45c | 12.75 | *8.6 |
| Howey Gold | 2c | .22 | .. |
| Hudson Bay | ‡$2 | 24.00 | 8.3 |
| Inspiration | †2c | .22 | .. |
| Inter. Nickel, com. | $2 | 31.00 | 6.4 |
| Island Mountain | ▲8c | .95 | .. |
| Kerr Addison | ▲10c | 3.80 | .. |
| Kerr Lake | ‡10c | .41 | .. |
| Kirkland Lake | 10c+2c | .79 | *15.2 |
| Kootenay Belle | ▲4c | .23 | .. |
| Lamaque Gold | ‡40c+10c | 4.35 | *11.5 |
| Lake Shore | $2 | 18.75 | 10.7 |
| Leitch | 8c | .46 | 17.4 |
| Little Long Lac | ‡30c | 1.80 | .. |
| Macassa | 32c+3c | 3.85 | *9.1 |
| Madsen R. Lake | 6c | .57 | .. |
| McGillivray Coal | ‡3c+1c | .21 | .. |
| McKenzie Red L. | 12c | 1.09 | 11 |
| Moneta | 12c | .41 | .. |
| McIntyre-Porc. | $2.22+$1.11 | 47.50 | *6.3 |
| MacLeod-Cockshutt | ‡20c | 1.58 | .. |
| Naybob Gold | 4c | .23 | .. |
| Negus | †5c | .75 | .. |
| Nipissing | 15c | 1.09 | .. |
| Noranda | $4 | 50.37 | 7.9 |
| North Empire | ▲20c | 5.00 | .. |
| O'Brien Gold | ‡10c | .56 | .. |
| Pamour Porc. | 12c | 1.05 | 11.4 |
| Pato Cons. | 20c | 2.65 | .. |
| Paymaster | ‡1c | .18½ | .. |
| Perron Gold | 16c+4c | 1.35 | *14.8 |
| Pioneer, B.C. | 40c | 1.90 | 21 |
| Pickle Crow | 40c | 2.36 | 16.9 |
| Placer Develop. | $1.20 | 9.50 | 12.6 |
| Premier | 12c | .90 | 13.3 |
| Preston E. Dome | 20c+7½c | 2.90 | *9.5 |
| Privateer Mines | ▲6c+2c | .45 | .. |
| Quebec Gold | ‡2c | .20¼ | .. |
| Relief Arlington | ‡5c | .01½ | .. |
| San Antonio | 14c+6c | 2.10 | *9.5 |
| Sheep Creek | 16c | .73 | .. |
| Sherritt Gordon | ▲5c | .70 | .. |
| Sigma Mines | ‡45c | 7.20 | .. |
| Silbak Premier | 16c | .80 | .. |
| Siscoe | ▲2½c | .58 | .. |
| Sturgeon River | 4c | .15 | .. |
| Sullivan Cons. | ▲3c | .55 | .. |
| Surf Inlet | ▲1c | .12 | .. |
| Sylvanite Gold | ▲14c | 2.50 | .. |
| Teck-Hughes | 40c+5c | 2.95 | *15.2 |
| Toburn | 12c+8c | 1.50 | *13.3 |
| Upper Canada | ▲7c | 1.89 | .. |
| Ventures | ▲10c | 3.20 | .. |
| Waite Amulet | 10c | 3.40 | .. |
| Wendigo | 3c | .17 | .. |
| Wright-Harg. | ‡40c+30c | 5.05 | *13.9 |
| Ymir Yankee | 2c | .06 | .. |

*Yield including bonus. †Initial.

‡Paid in 1940.

▲Paid or declared payable in 1941 to date.

# DIVIDEND NOTICES

## The Bank of Toronto

### Dividend No. 239

Notice is hereby given that a **Dividend of Two and One-half** Per Cent upon the Paid-up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its Branches on and after the second day of June next, to shareholders of record on May fifteenth, 1941.

By Order of the Board.

F. H. MARSH,
General Manager.

## Banque Canadienne Nationale

### Quarterly Dividend

NOTICE is hereby given that a dividend of two per cent (2%) (being at the rate of 8% per annum) has been declared by the Directors of the Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 31st day of May, 1941. This dividend, bearing the number 201, will be payable at the Main Office or at the branches of the bank, on or after the 2nd day of June, 1941, to the shareholders of record on May 15th.

By Order of the Board,

CHARLES ST-PIERRE,
General Manager.

## Anglo-Canadian Telephone Company

### CLASS A DIVIDEND NOTICE

NOTICE is hereby given that a dividend of one and one-half per cent (1½%) has been declared on the Class A Stock of the Company, payable June 2, 1941, to Stockholders of record at the close of business on May 15, 1941.

By Order of the Board.

GEOFFREY PURDY,
Secretary.

Montreal,
May 12, 1941.

## RELIANCE GRAIN COMPANY LIMITED

### 6½% CUMULATIVE PREFERRED STOCK

A DIVIDEND of one and five-eighths per cent (1⅝%) per share, being the dividend for the quarter ending May 31, 1941, has been declared and authorized to be paid on June 14, 1941, to all preference shareholders of record with the transfer agents of the Company at the close of business on May 31, 1941.

By order of the Board,

A. W. GIBB, Secretary.

Winnipeg, April 23rd, 1941.

## IMPERIAL OIL LIMITED

### NOTICE TO SHAREHOLDERS AND THE HOLDERS OF SHARE WARRANTS

NOTICE is hereby given that a semi-annual dividend of twenty-five cents (25c) per share in Canadian currency has been declared and that the same will be payable on or after the 2nd day of June, 1941, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 55 at:

THE ROYAL BANK OF CANADA
King and Church Streets Branch,
Toronto, Canada.

The payment to shareholders of record at the close of business on the 15th day of May, 1941, and whose shares are represented by Registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 30th day of May, 1941.

The transfer books will be closed from the 16th day of May to the 31st day of May, 1941, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income Tax Act of the Dominion of Canada provides that a tax of 15% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada. The tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates must accompany all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income Tax Return. In order to claim such credit the United States tax authorities require evidence of the deduction of said tax, for which purpose Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the tax and returning one Certificate to the shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or The Royal Bank of Canada, Toronto.

Under Canadian Foreign Exchange Control Regulations permission has been obtained for non-resident shareholders of Canada (other than residents of Continental Europe or of the French Empire and other than residents of enemy or enemy occupied territories) to convert this dividend at current Canadian Foreign Exchange Control Board rates into such foreign currencies as are permitted by the general Regulations of the Canadian Foreign Exchange Control Board. Such conversion can only be effected through an authorized dealer, i.e., a Canadian branch of any Canadian Chartered Bank.

Shareholders residing in the United States may convert the amount of the current dividend into United States currency at the official Canadian Foreign Exchange Control rate by sending at their own risk and expense, coupons or dividend cheques properly endorsed, to the Agency of The Royal Bank of Canada, 68 William Street, New York City, which will accept them for collection through an authorized dealer, or direct to any authorized dealer of the Canadian Foreign Exchange Control Board.

Shareholders residing in countries other than the United States may under Canadian Foreign Exchange Control Regulations convert the amount of the current dividend by sending at their own risk and expense, coupons or dividend cheques properly endorsed, to The Royal Bank of Canada, King and Church Streets Branch, Toronto, Canada, or to any other authorized dealer or to the Agency of The Royal Bank of Canada, 68 William Street, New York City, U.S.A., with a request for a draft in such foreign currency as is permitted in settlement of same but they should first satisfy themselves that this action is not prohibited by the Foreign Exchange Control Regulations of the country in which they reside.

By Order of the Board,

W. J. WHITLING,
Secretary.

56 Church Street,
Toronto 2, Canada,
May 12th, 1941.

# DIVIDEND NOTICES

## INTERNATIONAL PETROLEUM COMPANY, LIMITED

### Notice to Shareholders and the Holders of Share Warrants

NOTICE is hereby given that a semi-annual dividend of 50c. per share in Canadian currency, has been declared, and that the same will be payable on or after the 2nd day of June, 1941, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 55 at:

### THE ROYAL BANK OF CANADA

King and Church Streets Branch,
Toronto, Canada

The payment to Shareholders of record at the close of business on the 20th day of May, 1941, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 30th day of May, 1941.

The transfer books will be closed from the 21st day of May to the 2nd day of June, 1941, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income Tax Act of the Dominion of Canada provides that a tax of 15% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada. The tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates must accompany all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income tax return. In order to claim such credit the United States tax authorities require evidence of the deduction of said tax, for which purpose Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the tax and return one Certificate to the shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or the Royal Bank of Canada, Toronto.

Under existing Canadian Regulations:

(a) Payment of this dividend to residents of enemy or enemy occupied countries is prohibited.

(b) Payment thereof to residents of other portions of Continental Europe or of the French Empire is prohibited but such residents may direct the deposit to their credit in a Canadian Bank of all amounts payable to them.

(c) Other non-residents of Canada may convert this dividend at current Canadian Foreign Exchange Control rates into such foreign currencies as are permitted by the General Regulations of the Canadian Foreign Exchange Control Board. Such conversion can only be effected through an Authorized Dealer, i.e. a Canadian Branch of any Canadian Chartered Bank.

Shareholders residing in the United States may convert the amount of the current dividend into United States currency at the official Canadian Foreign Exchange Control rate by sending at their own risk and expense, coupons, or dividend cheques properly endorsed, to The Agency of The Royal Bank of Canada, 68 William Street, New York City, which will accept them for collection through an authorized dealer, or direct to any authorized dealer of the Canadian Foreign Exchange Control Board.

Shareholders residing in countries other than the United States to whom payment is not prohibited as above noted, may convert the amount of the current dividend by sending at their own risk and expense, coupons, or dividend cheques properly endorsed, to The Royal Bank of Canada, King and Church Street Branch, Toronto, Canada, or to any other authorized dealer or to The Agency of The Royal Bank of Canada, 68 William Street, New York City, U.S.A., with a request for a draft in such foreign currency as is permitted in settlement of same, but they should first satisfy themselves that this action is not prohibited by the Foreign Exchange Control Regulations of the country in which they reside.

By order of the Board,

J. R. CLARKE,
Secretary.

56 Church Street, Toronto 2, Canada,
12th May, 1941.

## VENTURES LIMITED

25 King Street West, Toronto

### DIVIDEND No. 10

NOTICE IS HEREBY GIVEN that a dividend of 10 cents per share has been declared by the Directors of Ventures Limited, payable in Canadian funds on June 25th, 1941, to shareholders of record June 10th, 1941.

By order of the Board.

H. WHITTINGHAM,
Secretary-Treasurer.

May 9th, 1941.

## "CANADA DRY"

### Dividend Notice

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, a Delaware Corporation, held April 22, 1941, a dividend of fifteen cents (15¢) per share was declared, payable June 24, 1941, to stockholders of record at the close of business, June 10, 1941.

W. J. WILLIAMS, *Secretary*

## Sherritt Gordon Mines Limited

(No Personal Liability)

25 King Street West, Toronto.

### DIVIDEND NO. 3

NOTICE IS HEREBY GIVEN that an interim dividend of 5 cents per share has been declared by the Directors of Sherritt Gordon Mines Limited (No Personal Liability), payable in Canadian funds, on June 25th, 1941, to shareholders of record May 23rd, 1941.

Payment of this dividend is, under present conditions, subject to obtaining the approval of the Foreign Exchange Control Board.

By Order of the Board.

H. WHITTINGHAM,
Secretary-Treasurer.

May 8th, 1941.

## Royalite Oil Company, Limited

### NOTICE OF DIVIDEND NUMBER TWENTY-SIX

NOTICE is hereby given that a regular Dividend of Fifty Cents per share has been declared payable to Shareholders of the Company, of record as such on the books of the Company, at the close of business on Friday, the 16th day of May, 1941, and that the said Dividend will be payable on or after Monday, the 2nd day of June, 1941.

THE Register of Transfers will be closed from the close of business on Friday, the 16th day of May, 1941, until the opening of business on Monday, the 26th day of May, 1941.

By Order of the Board,

R. D. MERCER,
Secretary.

Calgary, Alberta.
12th May, 1941.

# Prices Advance On Hardware

### Building Materials Affected By Recent Budget Ruling

Removal of certain classes of building materials from the sales tax exemption list, as announced in the recent Dominion budget, has resulted in prices of the products affected being increased by the amount of the tax, says Hardware and Metal.

Manufacturers have been revising their dealer price list accordingly.

The items concerned were exempted from sales tax in June, 1938, when the Government was giving maximum aid to the building industry in Canada. The Finance Minister in recommending the recent change, said it was desirable, wherever possible, to reserve building operations for the post-war period.

The list of building items exempted from sales tax in 1938 and now made subject to the tax again, is as follows:

Bricks, building tile, building blocks and building stone; plaster, lime, cement, stucco and stucco dash; lumber, sash, doors, shingles, lath, siding, stairways, balustrades, plaster boards, fibre boards, wallpaper, building paper, and materials manufactured wholly or in part of vegetable or mineral fibre for wall coverings or building insulation; paints, varnishes, white lead and paint oil; prepared roofings, shower baths, bathtubs, basins, faucets, closets, lavatories; sinks and laundry tubs, not including pipes and pipe fittings; glass for buildings; furnaces for heating buildings, builders' hardware, namely: locks, lock sets, butts, hinges, pulleys and window fasteners.

Net revenue to the Dominion from re-application of the sales tax on building materials, is estimated at $15 millions for a full year, or $13.5 millions for the balance of the present fiscal year. The revision became effective April 30, 1941.

An official of the Canadian Construction Association told Hardware and Metal removal of the 8% sales tax exemption from building materials had been anticipated, and most builders had inserted in recent contracts provision for payment of the new levy.

He said the building of new houses likely would continue at the present rate, and that "except for housing, the Government is doing most of the construction work that is going on."

# Commodity Prices Show Strength

### U. S. Navy Buying Sends Coffee Prices Higher — Rubber Firm

Commodity prices generally have moved to higher levels.

Placing of a large order for coffee for the United States navy strengthened the coffee market considerably. On top of that came the news that the Colombian Government had raised the prices at which it would allow supplies to be registered for export. Colombian shippers accordingly were stated to be holding their stocks for higher bids and unwilling to sell even then.

Rubber prices were higher with limited supplies offered. Hopes have been raised that the higher prices ruling will encourage greater production in South America. Larger supplies could be obtained from Brazil this year, it is believed, if exports from there to other countries can be diverted to North America.

The advance in the commodity group in the United States was more marked than in Canada and speculators were sufficiently active to elicit a warning from the United States Commodity Exchange Administration against over speculation.

| | Latest week | Previous week | Same week last yr. |
|---|---|---|---|
| Cattle | $9.25 | $9.50 | $8.00 |
| Hogs | 11.50 | 11.40 | 11.00 |
| Copper, lb. | .12 | .12 | .11½ |
| Cotton, lb. | .1263 | .1205 | .1065 |
| Rubber, lb. | .2475 | .2412 | .2350 |
| Silk, lb. | 2.90 | 2.80 | 2.90 |
| Sugar, raw, lb. | .0340 | .0340 | .0290 |
| Wheat, Man. (bu.) | .75⅞ | .75⅞ | .84⅞ |
| Coffee, lb. | .07⅛ | .06¾ | .05¼ |
| Hides | .15 | .15 | .13¼ |
| **Weekly Indices** | | | |
| Canada (D.B.S.) | 86.7 | 86.4 | 83.0 |
| Do., Wood, Gundy | 74.7 | 67.3 | 67.2 |
| U. S. Labor | 83.2 | 83.0 | 78.9 |
| Dow Jones (future) | 68.11 | 65.73 | 62.86 |
| Fishers' | 90.7 | 89.9 | 84.0 |
| **Monthly Indices** | | | |
| Canada (D.B.S.): | | | |
| Retail (Mar.)* | 108.6 | 108.2 | 104.6 |
| W'sale (Mar.) | 85.9 | 85.2 | 83.2 |
| U. S. (Feb.) | 80.6 | 80.8 | 78.7 |
| Gt. Brit. (Dec.) | 148.2 | 146.9 | 102.8 |

Note:—The base of indices is that 1926 equals 100. *Base 1935-39=100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto. Copper-electrolytic, New York. Silk—Crack db., 13-15 New York. Sugar—96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

# Alberta Bank Measure At Bottom of List

The plan to establish an Alberta Provincial Bank is again meeting obstacles.

The bill to incorporate the bank, Bill No. 6, was introduced in the House of Commons last year. It was referred to the Banking and Commerce Committee which recommended it should not be enacted.

Introduced again this year, the bill's second reading was opposed last week by Finance Minister Ilsley, who suggested it be referred again to the Banking and Commerce Committee.

According to procedure, opposition puts the bill at the bottom of the list of private bills for consideration.

## The Bank of Nova Scotia

### Dividend No. 286

Notice is hereby given that a Dividend of three per cent. on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of June 14th, and that the same will be payable on and after Wednesday, the second day of July next, at any of the offices of the Bank in Canada.

By order of the Board.

H. D. BURNS,
General Manager.

Halifax, N.S., May 13th, 1941.

**Week in Wheat**

# Big Sale to Britain Breaks All Records

### But 120 Million Bushel Deal Much Less Than Year's Requirements — U. K. Wants Winnipeg Exchange Kept Open

From Our Own Correspondent

WINNIPEG.—Total volume of transactions in Canadian wheat the past week has eclipsed all records. The largest single item, of course was sale of 120 million bushels of futures to the British Government purchasing agent, announced by Trade Minister McKinnon in Parliament on Tuesday. This is the largest single deal ever put through, the next biggest being the sale of 100 million bushels last August to the same buyer.

In spite of its size, this sale was in accordance with expectations. Indeed, as it falls short of meeting a year's probable requirements for Great Britain it is actually smaller than might have been expected.

### *Important Points*

Two interesting points are involved in the fact that the U. K. sale was in futures instead of in cash wheat of specific grades in specific positions. One is that the carrying costs are presumably included in the price. If this is so, the cost of storing Canadian wheat will be less of a burden upon the treasury of Canada than has been frequently suggested.

The other point is that the British purchasing authorities have repeated their previously expressed request that the Winnipeg futures market should remain open. So far as British purchases of wheat are concerned there is no need to keep the market open for the purpose of determining prices. That has been already done when the contract for purchase and sale was completed. But it is a great convenience in the actual business of forwarding by exporting houses.

* * *

### *Exports High*

Actual overseas shipments of Canadian wheat continue at a high rate, last week's figures again surpassing the seven million bushel mark. This quantity was presumably all destined for the British Isles, except for such diversion as may have been permitted by Great Britain to Spain.

Announcement has been made that the Government at Vichy has arranged with the United States for two shiploads of wheat to be sent to unoccupied France. If such wheat actually does move, presumably the French purchasers would make shipments from stocks of Canadian wheat held in bond in the United States, where it can be bought much more cheaply than American grain.

* * *

### *Local Movement Heavy*

Wheat shipments down the lakes from Port Arthur and Fort William to eastern ports are flowing rapidly. At a rate well in excess of a million bushels daily. Wheat going out of lakehead terminals is being replaced from accumulations of wheat on cars in the hands of the railways, but somewhat more slowly than might have been expected. Farmers' deliveries to country elevators are also heavy.

Although the Winnipeg market has momentarily been above the pegged level, it has rested on the pegs established by authority during most of the week. At times it has been impossible to find a buyer who would take wheat at the pegged price and at other times offerings have been reasonably well absorbed. The volume of offerings has not been heavy since the bulk of wheat delivered by farmers has been put into the hands of the Wheat Board, instead of being listed for sale by farmers.

* * *

### *Off to Good Start*

Western Canada's wheat crop, so far as seeded, is off to a good start. Surface moisture conditions on the whole are quite satisfactory for germination.

Rains are mainly responsible for some delay in seeding. If it were not for the government programme for reducing wheat acreage there might be some apprehension at the late start. Now, however, because of the delay, farmers are likely to comply much more fully with the government policy of wheat acreage reduction.

Up until recently the best estimate of prospective wheat acreage, based on declared intentions of farmers, was that it might show a decline of 25% from last year, or a total of 21 millions acres, as against over 28 million acres last year. Now it is quite possible total may fall to 19 million acres, or close to the 35% reduction planned when parliament appropriated $35 millions to pay farmers for switching wheat land to other uses.

* * *

### *Boost For Barley*

Just what farmers will do with the acreage taken out of wheat can not yet be fully determined. Increase in barley is likely to be important, not only because the government will pay farmers $2 for every acre transferred from wheat, but because of recent market strength in this grain. Some farmers indeed, have been selling barley for October delivery, believing that at recently prevailing prices, plus the bonus, they can secure a fairly satisfactory return. They are also encouraged by the outlook for hogs, principal consumers of barley. Recently outlook for Canadian hogs market in the United States has improved and the British authorities have ordered increased quantities of Canadian bacon at higher prices.

* * *

### *Summer Fallow*

The summer fallow bonus, which amounts to $4 an acre was for a time considered not sufficiently attractive to produce important effects. The majority of farmers believed they were already summer-fallowing as much of their acreage as good farming practice in their respective districts might indicate. One third of the cultivated acreage has been considered standard practice over a great deal of the West, and one half in the drier districts. Moisture conservation has been the impelling motive where the higher percentage was in effect. In other districts farmers have been perhaps almost as much concerned with keeping down weeds. Over most of Manitoba, and in a good deal of Saskatchewan conditions this year have been such as to give weeds a good start, in wide areas getting well ahead of the crop, and this is serving as a reminder of the importance of summer fallow to farmers who have not been keeping their fallow operations up to the usual standard.

* * *

### *Seeding to Grass*

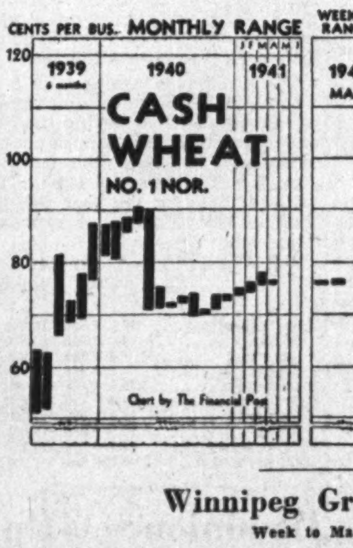
The one item in the government programme which is not likely to achieve maximum results is the bonus for seeding land down to grass or clover. The number of farmers anxious to do this is limited to those with livestock. In other cases, whatever might be theoretically desirable from a soil conservation standpoint, the whole tradition of western farming is against reversing the former practice of turning grass land into cultivated acreage. But quite apart from that consideration there is not available in western Canada sufficient grass and clover seed to enable any very large transfer to be effected.

## C. P. R. Gross Revenue Shows 30.8% Gain

From Our Own Correspondent

MONTREAL.—Gross traffic revenues of the Canadian Pacific Railway Co. for the week ended May 7, 1941, totalled $4.1 millions. This compares with $3.1 millions for the corresponding week of 1940 and is an increase of $967,000, or 30.8%.

# Wheat Prices



### Cash Quotations

| | For Week May 12 High | For Week May 12 Low | Prev. Week High | Prev. Week Low |
|---|---|---|---|---|
| **Wheat** | | | | |
| 1 Hard | .76 | .75⅞ | .75⅞ | .75¾ |
| 1 Nor. | .76 | .75⅞ | .75⅞ | .75¾ |
| 2 Nor. | .73½ | .73⅜ | .73⅜ | .73⅜ |
| 3 Nor. | .71⅝ | .71¼ | .71¼ | .71⅛ |
| 4 Nor. | .69 | .68⅞ | .69⅜ | .68⅞ |
| 5 Wheat | .69 | .67¼ | .68⅛ | .67⅞ |
| 6 Wheat | .68 | .66⅞ | .67⅛ | .66⅞ |
| Feed | .65½ | .63⅞ | .63⅞ | .63⅞ |
| **Oats:** | | | | |
| 2 C. W. | .37¾ | .37 | .36⅞ | .35⅜ |
| 3 C. W. | .36¼ | .34½ | .34¼ | .32⅛ |
| **Barley:** | | | | |
| 1 Feed | .48⅛ | .46½ | .48⅝ | .45¼ |
| 2 Feed | .46⅛ | .44½ | .46¼ | .42¾ |
| **Flax:** | | | | |
| 1 C. W. | 1.60¼ | 1.55½ | 1.57 | 1.46⅞ |
| 2 C. W. | 1.56¼ | 1.51½ | 1.53 | 1.43¾ |
| **Rye:** | | | | |
| 2 C. W. | .64½ | .60¼ | .59 | .56⅝ |

## Winnipeg Grain Futures

Week to May 12, 1941

| Crop year from Aug. 1, 1940 High | Crop year from Aug. 1, 1940 Low | | Open May 6 | High for week | Low for week | Close May 12 | Close year ago |
|---|---|---|---|---|---|---|---|
| | | **Wheat** | | | | | |
| .79¾ | .65⅞ | May | .75⅞ | .76 | .75⅞ | .75⅞ | .74⅞ |
| .81⅝ | .77½ | July | .77½ | .77½ | .77½ | .77½ | .76⅛ |
| | | **Oats** | | | | | |
| .38⅜ | .25⅝ | May | .36½ | .37⅜ | .36 | .37⅛ | .34⅜ |
| .36½ | .29½ | July | .34⅞ | .36⅛ | .34⅞ | .35⅞ | .32½ |
| .33¾ | .30¾ | Oct. | .32½ | .33¼ | .32½ | .33⅛ | .31⅝ |
| | | **Barley** | | | | | |
| .53⅝ | .33⅝ | May | .49⅝ | .51 | .48¾ | .50⅞ | .41¼ |
| .49⅝ | .39⅝ | July | .48⅛ | .49⅝ | .47⅝ | .49⅝ | .41¼ |
| .45⅛ | .41⅞ | Oct. | .43½ | .45⅛ | .43⅛ | .45¼ | .41¼ |
| | | **Flax** | | | | | |
| 1.93¾ | 1.16 | May | 1.57⅛ | 1.60¼ | 1.55 | 1.55½ | 1.78⅛ |
| 1.92⅝ | 1.29½ | July | 1.59¾ | 1.62¾ | 1.56½ | 1.58½ | 1.81 |
| 1.79¾ | 1.44¾ | Oct. | 1.57½ | 1.58 | 1.52¼ | 1.53 | 1.82¾ |
| | | **Rye** | | | | | |
| .64½ | .44¼ | May | .59¼ | .64½ | .59¼ | .64½ | .54½ |
| .63⅜ | .47⅞ | July | .59½ | .63⅜ | .58¾ | .62¾ | .55 |
| .61⅝ | .50⅛ | Oct. | .57 | .61⅝ | .56½ | .60⅜ | .54½ |

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## Celanese Shipments At Record in Quarter

From Our Own Correspondent

MONTREAL. — Celanese Corp. reports profits for the first quarter of 1941 at $1.6 million. This is equivalent to 84 cents per common share against $1.36 a share for the same quarter of 1940, after allowing for income taxes at present rates. For the 12 months ended March 31 profits amounted to $5.7 millions compared with $7.5 millions for 1939-40.

The company's present sales volume is establishing a new record, with April shipments over 65% total first quarter shipments.

Western Grain 6/49
Anglo-Can. Tel. A
Burns 5/58 A & B
Can. Westinghouse
Andian National
Can. Vickers 6/47
C. I. L. B & pfd.
A. J. Pattison, Jr. & Co.
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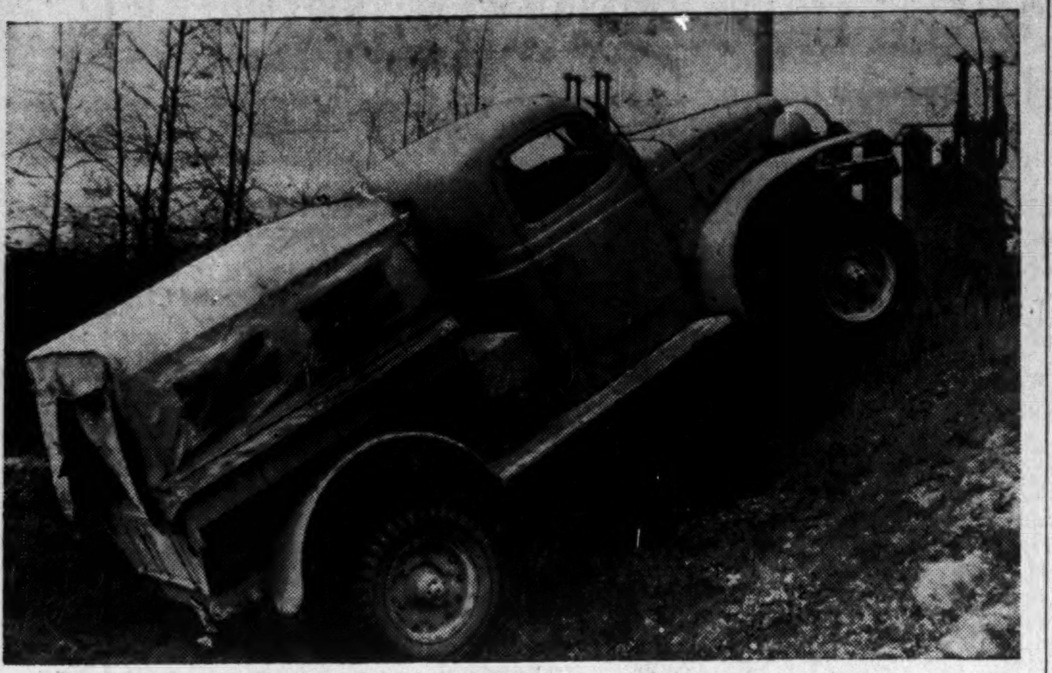
Can. Wire & Cable pfd.
Federal Grain pfd.
United Corps. A & B
Premier Trust
Can. Airways
Goderich Elevator

## "Turned Out in Hundreds — Light, Fast and Wicked"



This is the newest type of military vehicle being mass produced at the big Chrysler Corporation of Canada's plant at Windsor. Chrysler-engineered throughout, these vehicles have four-wheel drive, can negotiate rough ground and steep grades entirely impassible for the conventional truck. Here the Chrysler craft is on test at the Ojibway field. The speed and volume of production of mechanical vehicles in Canada is perhaps the most striking single phase of Canada's war effort.

**Insurance**

# New York Imposes New Auto Insurance Rules

Passage of a new motor vehicle safety responsibility law, in New York State is of considerable interest to Canadian insurance circles owing to suggestions made from time to time that automobile insurance should be made compulsory.

In most Canadian provinces it has so far been considered preferable to enact what is called financial responsibility legislation. This requires a motorist held responsible for an accident to make a satisfactory settlement with the injured party for damages to property and person and to provide evidence of his future financial responsibility before having his license renewed.

The individual is free and can drive all his life without automobile insurance provided he has no accidents. But once he does, he is no longer a free man. He must satisfy the requirements of the law then.

Proof of financial responsibility is also required, however, when a driver is found guilty of reckless or drunken driving or other serious highway offence.

### Restrict Ownership

The New York law is evidently designed to restrict the ownership and operation of vehicles to those financially able to pay for any damage they may do other people or their property.

Among the special features of the act is the provision that the Commissioner of Vehicles must suspend the license of the operator and all registration certificates of the owner of any automobile held responsible for an accident where any person is injured or where damage to property of $25 or more is sustained.

Here's how it will work. If a man is involved in an accident of the degree indicated, the commissioner of vehicles must suspend his license until he pays any judgment against him and gives evidence of his financial responsibility for the future. That clause is fairly similar to the one in use in Canada.

### Car as Security

But the New York law also states that until these requirements have been satisfied, the automobile involved cannot be re-registered in the name of the owner or any other person. This means that until the judgment is satisfied, the automobile will be tied up indefinitely and nobody can drive it. Nor can the owner sell it unless, in the meantime, he is acquitted by a law court of any fault in an accident. If a claim for damages is withdrawn, he is also deemed to be guiltless and is free from all restrictions. Thus the car becomes security that the owner will make good damages for which he is responsible. Some people think this clause could with advantage be inserted on the Ontario act.

Proof of financial responsibility is also required by the New York act from any person convicted of reckless or drunken driving. It makes no difference if the conviction is in any other part of the United States or Canada. He must satisfy the New York authorities before he will get his license renewed.

### Accepted as Proof

In proof of financial responsibility, an automobile insurance policy issued by a company duly licensed to do business in the state will be accepted. It must provide public liability coverage up to $5,000 for any one person injured in an accident and up to $10,000 for any one accident. It must also provide indemnity for damage to property up to $1,000. Proof of financial responsibility can also be given by posting a bond to the value of $11,000 or depositing cash or securities to the same amount with the designated trustee. Like the Canadian laws the New York act requires everybody involved in an accident causing injury to a person or damage to property to report it immediately. In Canada this is required in accidents where damage of over $50 has been done. In New York the limit is $25 or over.

### Suggested Amendments

As matters stand the new act becomes effective Jan. 1, 1942. It has been suggested, however, that it be amended in some important particulars such as to require proof of future financial responsibility only in case of accidents involving death or personal injury.

Suggestions have been made recently for the passing of compulsory automobile legislation in Alberta. But compulsory automobile insurance in itself is a little different from financial responsibility laws which it is claimed are designed to promote not only insurance protection but also to encourage safe driving.

### Compulsory Insurance

Compulsory automobile insurance in itself does not tend to reduce the number of accidents. The experience in Massachusetts is pointed to as evidence of this, the percentage of personal injuries having increased since the compulsory automobile insurance law was enacted.

Compulsory automobile insurance, it is pointed out, is not safety legislation and has nothing to do with ensuring safer driving conditions.

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## Insurance Notes

### *Buying War Bonds*

Canadian life insurance companies are steadily increasing their investment in Canadian Government bonds as Government demands for funds increase, R. H. Reid executive assistant of the London Life told the spring conference of the Life Office Management Association in New York.

The Life company investment in Dominion bonds this year should considerably exceed the total increase in the assets of the Canadian companies, he said. In view of the enormous expenditures facing the Government he believed this was quite proper even though the adverse effect on interest earnings will be felt severely.

Canadian companies, according to Mr. Reid, are preparing to play an outstanding part in the task of absorbing the coming third war loan of $600-$700 millions. Their total subscriptions, he predicted, would be far in excess of the combined purchases of the two previous war loans which were greater than the allotment of $65 millions.

Not only will cash now on hand be used in full but future income will be mortgaged. Where necessary bonds will be carried temporarily by the banks, he added.

* * *

### *Wartime Functions*

Life insurance in wartime has three important functions, H. O. Wright, president of the Life Underwriters' Association of Canada told the Life Underwriters' Association of Toronto at their regular May meeting.

These functions, he said, were:

To help the war effort by promoting saving and lending money to the Government.

To provide needed funds for industry and agriculture.

To provide for those who otherwise might be without resources through the death of the breadwinner.

* * *

Charles H. Jacoby, formerly chief inspector of the Royal Insurance Co. in Toronto has joined the agency of Wood Meen Ltd. in the same city. Prior to joining the Royal organization in Toronto he was with the Canadian Underwriters' Association and the Liverpool and London and Globe.

* * *

### *Insures Against Planes*

With so many airplanes in use, the properties of the city of London, Canada, have been insured against the hazard of planes crashing into any one of them. The risk was added to a general new allotment of insurance by the city amounting in all to over $3.3 millions.

* * *

John G. Parker, joint general manager and actuary of the Imperial Life Assurance Co. has recently been visiting company branches in eastern Canada and Newfoundland.

In Charlottetown, P.E.I., he addressed the Life Underwriters' Association of the province.

* * *

J. H. MacDonald has been appointed district manager of the London Life Insurance Co. at Sudbury. He succeeds C. W. McPhail, who has become district manager at Vancouver. Mr. MacDonald was formerly district supervisor at Chatham, Ont. and has been a member of the London Life's Big Producers Club for three years.

* * *

Life insurance should be a subject of instruction in the schools of the country, in the opinion of Gordon Nairn, field supervisor of the Life Underwriters' Association of Canada. He suggested textbooks be prepared for school use, outlining the broad social functions of life insurance and its place in the life of the individual and the nation.

## Royal Names Manager At Vancouver Branch

F. H. LeCouteur has been appointed manager of the Royal Insurance group of companies at Vancouver, succeeding Arthur Huddell, who has retired.

Mr. LeCouteur has been in the service of the Royal group for 27 years, most recently as resident inspector and assistant manager at Calgary. A. S. Knight, formerly representative of the company at Oslo, Norway, and who has been associated with the Vancouver branch for some months becomes assistant manager.

Mr. Huddell has been with the Royal group for 46 years, the last 13 as branch manager at Vancouver.

**Banking**

# *Inflation Paved Way for Hitler*

## Reached New High of Stupidity in Germany

*This article, the 10th in a series on currency inflation, describes how German inflation had its beginnings in the desire to dodge heavy taxation. It ultimately wiped out the savings of the great majority of the people and caused untold hardship.*

**By D. G. MACLEAN**
**Staff Writer, The Financial Post**

One of the most dangerous things about inflation is the insidious way it works.

What appears on the surface at first to be a perfectly justifiable degree of pump-priming for monetary action gets out of hand before anyone realizes it.

The German inflation which reached a climax in 1923 is one of the most striking instances.

### Great War 1

When Great War 1 broke out in 1914, the German Government thought it would be short. Confident of winning it expected to make the conquered enemies pay all expenses.

But like every other nation they had to have money. It was not easy to borrow abroad. The large number of her enemies weakened her credit. Heavy taxes it was feared might dampen war enthusiasm. Domestic borrowing seemed the easiest way. But so much borrowing had to be done the public couldn't do all the lending. A great deal of it was accomplished by discounting treasury bills and bonds at the Reichsbank. The floating debt thus incurred was as far as possible funded twice a year. But meantime, the discounting of large amounts of treasury bills required the issue of circulating currency. This was done by direct recourse to the printing press by printing Reichsbank notes. By the end of 1918 the note issue of the Reichsbank was more than five times what it had been when war broke out. The number of paper marks in circulation increased from 6.6 billion marks in 1914 to 37.1 billions by March 31, 1918.

### Buying Power Falls

Its purchasing power, of course, declined. Despite controls by the German Government, prices between 1914 and 1918 rose from a base index of 100 in 1914 to about 206 by 1918. The value of the mark therefore had fallen a little over half.

Authorities had become familiar with the printing press as a means of financing and the inflation already practised made easy the hyper-inflation that followed.

### In 1918

When the war ended, national finances were in bad shape. The government had a serious deficit but it is generally admitted that if stern measures had been adopted, the crisis could have been weathered. The government however took the easy way: finance by further borrowing and use of the printing press. On top of other burdens came the reparations payments demanded by the victorious Allies in the spring of 1921, and the government only worked the printing presses faster. By the end of 1921, the cost of living index was 1,300% of what it had been in 1914. The exchange rate of the mark in terms of U.S. dollars in the foreign exchange markets fell from 23.8 cents pre-war to 1.05 and its purchasing power was about one seventh.

In the spring of 1921 the inflationists, however, really got into high gear and turned the movement into the most spectacular the world has ever seen. Economists have blamed the situation on the reparations demands and the self-imposed expense to Germany of financing the passive resistance of the Ruhr occupation.

How the volume of paper money increased is shown in the following table:

| | Billions of Marks |
|---|---|
| 1914 Mar. 31 | 6.6 |
| 1918 Mar. 31 | 37.1 |
| 1921 Mar. 31 | 80.9 |
| 1922 Mar. 31 | 140.0 |
| 1922 Dec. 31 | 1,295.2 |
| 1923 June 30 | 17,340.5 |
| 1923 Sept. 30 | 28,244,405.8 |
| 1923 Dec. 31 | 496,585,345,900.1 |

As the volume of currency rose, its purchasing power declined. The decline was so sharp that a man getting his pay envelope at noon would often find it was worth only half as much by evening. Here is one specific case: A pair of shoes at 9.30 a.m., cost 3,250,000 marks, by noon 7 millions, at 12.30, 14 millions.

### Buyers' Panic

There was a buyers' panic. People rushed to turn their money into tangibles. Thus the story of the old bachelor buying layettes and children's toys because the nearest merchant had nothing else to offer; of a woman buying four dozen toothbrushes, the only things in sight. This velocity of circulation only speeded the depreciation of the currency.

Wages rose much more slowly. Day laborers suffered least. While they suffered, because the value of their wages fell so swiftly, their wages were subject to a revision every day or at relatively short periods.

### Fixed Wages

But the skilled tradesmen whose wage scales were fixed for periods of six months and longer, and white collar workers on salary were on the verge of starvation.

### Cost of Living Bonuses

Cost of living bonuses were tried, based on the number of dependents in a man's family. But this was not satisfactory. Employers sought to employ single men or men with small families at the expense of those with larger families.

Creditors who had mortgages, pensions, bonds, etc., were the ones who suffered most. Those with mortgages on their farms, paid off in depreciated marks. The mortgage holder for 10,000 marks got his 10,000 marks but they were next to worthless. While life insurance policyholders ultimately fared better than some other creditors, there was much suffering among beneficiaries who had to take the proceeds of life insurance while inflation was at its worst.

### Life Insurance

For instance, women who became widows in the fall of 1923, found insurance originally worth $10,000 was worth only a few cents or less. The later adjustment however resulted in policyholders who had held their insurance salvaging a greater percentage of their investment than many other people. Policies were adjusted on basis of 12 to 16% of their face value. Savings bank accounts payable in marks were worth nothing. So too bonds. The face value of the bonds remained but the marks in which they were payable had practically no purchasing value.

### Debtors Get Innings

It was a gala time for the debtors but ruin for the creditors including the bank depositor, the insurance policyholder, and the holder of mortgages. Corporations with bonds outstanding wiped them out at a low figure and thus profited. This might have helped the stockholders, the owners of the equity, but it didn't.

Because the corporation was selling goods or services, it often took a loss between the time a deal was made and the time it was put through and payment received. Dividends fell to one thousandth of their value. Yet corporations themselves were able to improve their position by paying off funded debt and buying improvements and plant additions in depreciating currencies.

### Both Creditors and Debtors

In some cases, individuals and corporations were both creditors and debtors. Banks and insurance companies, for instance. A bank is a creditor to somebody to whom it loans money but it is a debtor to the depositor. In the case of the banks it made little difference, however, as they took in and paid out depreciated marks.

In 1923 a good room with private bath, electric lights, etc., in the best hotels in Berlin could be had for the equivalent of less than 15 cents U. S. funds. Many foreigners who bought German marks or bonds, however, in the hope that some day there would be a recovery, lost everything.

### Tax Values Fall

The government itself suffered severely in tax revenues. Taxes depreciated between the time they were levied and the time they were collected. Thus $100 of taxes levied in 1921 was worth only $48 when it was received by the government some months later; $35 in 1922; $11 in the first five months of 1923 and nothing at all by the end of that year. Eventually money was not wanted by anybody because it was worth nothing. One of the first "remedies" evolved, in Oldenburg, was a new currency called the Rye mark.

It represented a note worth at any time a fixed number of bushels of rye. Thus the purchasing power of the unit was subject only to the fluctuations to which the purchasing power of a certain quantity of grain was subject. Other kinds of currency of a similar nature were evolved.

### Stabilization Comes

Finally, authorities stepped in, the renten mark was established, and a way paved for restoration of a new mark based on the value of one trillion old marks to one new renten mark. In the adjustment that followed enormous losses were taken. Little could be done in the case of transactions which had been closed when the inflation was at its worst. But in the case of others where the relation of creditor and debtor has been maintained throughout the period it was possible to make some adjustment. Thus, life insurance policies were revalued at 12 to 16½% of their face value. Accordingly the life insurance policy holders were not wiped out as were mortgages and bonds which matured during the period.

But the experience of Germany was simply that of other countries which had played with inflation. Only it was carried to a new high of stupidity and madness.

# Crop Payments Affect Sales

### New Insurance and Business in Force in Saskatchewan Lower

New life insurance written in Saskatchewan in 1940 at $15.6 millions was almost $1 million lower than in 1939 according to the preliminary figures just released by the provincial superintendent of insurance.

The amount of business in force also was $3.4 millions lower and premium income was down.

The declines occurred in the ordinary and industrial departments, group insurance being up both as regards new business written and insurance in force.

The smaller volume of new industrial and ordinary insurance is generally attributed to the small payments received on the 1940 wheat crop, which made it more difficult for policyholders to meet their premiums as they came due. While these payments in the aggregate have been fairly substantial they have not given the farmer any large amount of money at one time. Group insurance, however, being written in the business centres showed a small increase. Industrial payrolls there have been the important factor.

The decline in insurance in force was due rather to the smaller volume of business written during the year and a larger total amount of policies terminated by death and maturity than to surrenders and lapses. The total of these for the year was less than in 1939. Figures of important items follow:

| | Dec. 31 | |
|---|---|---|
| | 1940 | 1939 |
| | $ | $ |
| New insurance | 15,657,520 | 16,540,580 |
| Ordinary | 14,039,342 | 15,310,793 |
| Industrial | 1,269,914 | 1,030,893 |
| Group | 348,264 | 198,894 |
| Ins. in force | 239,042,425 | 242,401,334 |
| Ordinary | 211,907,715 | 215,832,353 |
| Industrial | 11,571,487 | 11,503,171 |
| Group | 15,563,223 | 15,065,810 |
| Surr. & lapses | 14,740,250 | 16,519,721 |
| Total prem. inc. | 6,850,894 | 7,219,079 |

# Dominion Sets Up New Fire Group

A special committee on fire prevention and fire protection in naval, military and air force establishments has been created by the Dominion Government.

Members of this committee include:

W. L. CLAIRMONT, Dominion Fire Commissioner; W. J. SCOTT, Ontario Fire Marshal; FIRE CHIEF J. J. O'KELLY of Ottawa; DR. F. D. LASH of the National Research Council; A. H. S. STEAD, Dominion Board of Underwriters, and Flight Lieutenant P. S. SNARR.

# Nfld. Revenue Up Outlay Lower

### Deficit Converted Into Surplus in 10 Months' Period

**From Our Own Correspondent**

Revenue of the Newfoundland Commission of Government in April totalled $1.7 million, an increase of $572,481 over April, 1940. Expenditure decreased from $906,826 to $873,432.

In the 10 months period ended April 30 revenue amounted to $12.2 millions, compared with $10.1 millions in the corresponding period of the previous year. Expenditure totalled $11.1 millions, compared with $12.3 millions.

Surplus of $1.1 million resulted from operations in 10 months of the current year against deficit of $2.2 millions in the same period last year.

**Revenue and Expenditure**
**April**

| Revenue: | 1941 | 1940 |
|---|---|---|
| | $ | $ |
| Customs | 974,085 | 689,405 |
| Posts & telegraphs | 58,608 | 52,743 |
| Assessor of taxes | 572,319 | 310,190 |
| Natural resources | 14,876 | 23,808 |
| Other revenue | 124,624 | 95,885 |
| Total | 1,744,512 | 1,172,031 |
| Expenditure: | | |
| General | 873,423 | 906,826 |

**10 Months Ended April 30**

| Revenue: | 1941 | 1940 |
|---|---|---|
| | $ | $ |
| Customs | 9,049,469 | 7,312,964 |
| Posts & telegraphs | 664,639 | 597,697 |
| Assessor of taxes | 1,410,028 | 1,237,253 |
| Natural resources | 185,263 | 202,297 |
| Other revenue | 911,560 | 724,362 |
| Total | 12,220,959 | 10,074,573 |
| Expenditure: | | |
| General | 9,657,631 | 10,854,869 |
| Debt charges | 1,484,227 | 1,413,118 |
| Total | 11,141,858 | 12,267,987 |

# Join Canadian Board Of Union of Canton

A. E. Phipps, president of the Imperial Bank of Canada, and J. Y. Murdoch, president of Noranda Mines Ltd., have been elected to the Canadian Advisory Board of the group of insurance companies headed by the Union Insurance Society of Canton. Colin E. Sword is the manager for Canada with head office at Toronto.

# Alberta Tobacco Case Resumed in Court

**From Our Own Correspondent**

MONTREAL. — Presentation of evidence in the combine charges being brought against 36 tobacco manufacturers, wholesalers and jobbers in Alberta Supreme Court is now under way. The Crown, represented by J. C. McRuer, K.C., Toronto, is attempting to prove that agreements were entered into in the trade which resulted in price fixing and otherwise controlling the business in various parts of Canada.

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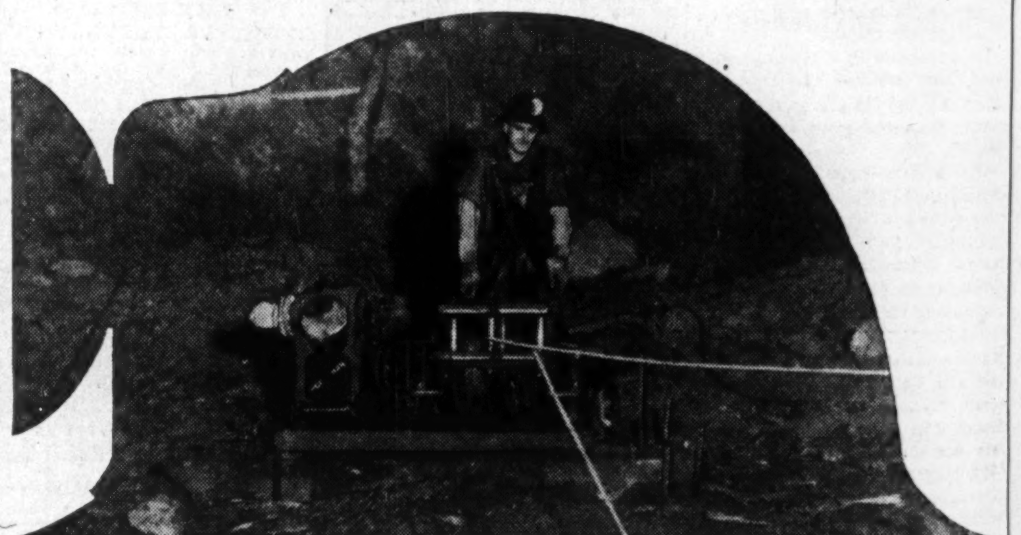

Increase Group Insurance
On Preston East Dome Miners

WORKING day and night to get out the gold needed to purchase arms for the empire's war effort, Canada's "hardrock" miners know full well the value of financial protection for themselves and their families in event of death or illness.

At Preston East Dome Mines, in the South Porcupine area, men above and below ground now enjoy three types of Group Insurance protection, thanks to generous contributions by the mine management.

In October, 1939, they took out Group Life coverage on 199 lives and arranged for weekly benefits to those suffering sickness or accidents of a non-occupational nature. So successful was their experience that a year later Group Hospitalization and Surgical Fee Benefits were added and Group Life Insurance now protects 315 lives.

We are pleased to assist executives to formulate plans for Group Life Insurance, Group Sickness and Accident Insurance, Hospitalization Benefits, Surgical Fee Benefits as well as Group Retirement Annuity Plans.

Confederation Life
Association
HEAD OFFICE TORONTO

# Which Pays the More in Taxes?

## Canadian Doesn't Escape More Lightly, Estimate Shows

Who pays the higher taxes, the Britisher or the Canadian?

On a per capita basis, the Canadian is now paying an annual tax of $146.58; the Britisher, $158.42.

Take it another way: This year, for war and other purposes, Britain—(central and municipal governments) plans to spend for all purposes 84% of last year's national income. In Canada, all governments (central, provincial, municipal) plan to spend 69%.

Remember, of course, that the increasing speed of war production in both countries can be presumed to raise the 1941 national income in each case so that the percentage expenditures will be slightly lower. In both cases, of course, taxation will fall far short of spending. Britain is apparently planning to borrow nearly 50% of her total expenditures; Canada, about 33%. Canada's total includes war aid to Britain.

Bare comparisons between the amounts Canadians and Britishers must pay on income tax tell only part of the story and always make it appear that the Canadian gets off lightly.

For one thing, the Canadian must pay the costs of an extra set of government—the provinces. The Canadian has long paid heavier indirect taxes such as sales taxes, customs duties, etc. Since the last war, Britain has depended very largely on personal income tax whereas in Canada, until recent years, this tax has been a modest source of government revenue.

The income taxes paid in Britain are heavier on the low income groups than in Canada, but they are also steeper on the high incomes. To get a net income of £5,000 after taxes, a British taxpayer would require an income of £66,000. In Canada a net income of $22,000, roughly equal to £5,000 could be had by a single person with gross income of only $50,000 compared with the Briton's $290,000.

But here the wide differentiation in current tax levels between the Britisher and Canadian — with the patently heavier burden borne by the former—ends.

What about corporation income tax? While a generalization as to which country's rate is higher is impossible because of the incomparable calculations required, this fact is clearly demonstrated by the figures.

More of the Canadian profit dollar goes in corporation tax than the British.

This year, Canadian corporation taxes are scheduled to bring in $245 millions—about one-sixth of entire Dominion revenues. British corporation taxes are scheduled to bring in less than one-eighth its total tax revenue, about £210 millions. British corporations are new to taxpaying ranks, were exempt from income taxes until National Defense Contributions were levied just before the war, Excess Profits Tax after the outbreak.

What about excess profits taxes?

British excess profit rates are numerically higher than in Canada but according to latest figures the burden on shareholders is less than it has been in Canada.

The Financial Post recently calculated that in 1940 (last year for which full figures are available) net profit available for shareholders was 3% lower than the previous year. The Economist (London) in a similar calculation showed a decline of nearly 2%.

Although the British excess profits tax has a nominal rate of 100% of excess earnings against the Canadian rate of 75%, more latitude is allowed the British companies in fixing their standard profits than is the case with Canadian companies. As a result, frequent examples may be found of a company which would fare considerably better under a 100% levy than under the 75% levy. Generally speaking, a company which has had a moderate increase in earnings in Canada would quite possibly be paying a higher tax than a similar company in England. But a company which has had a very substantial rise in earnings would probably be paying a higher tax in England than it would if located in Canada.

### Differences Cancel Out

These differences in individual examples tend to cancel out. Theoretically if all company earnings rose substantially above the earnings of the standard period, British companies would generally be taxed at close to 100%, whereas Canadian companies would reach a maximum of around 80%, providing provincial corporation taxes are withdrawn.

In both countries the implications of the excess profits taxes have apparently been regarded seriously enough by governments to result in minor changes in the latest budgets. The British budget allowed for a higher return on newly invested or added capital before the excess profits rate would apply. In Canada some relief has been granted to depressed industries in changing the four-year profit base to a three-year base if one of those years was less than 50% of the average. In each case the adjustment allowed has been slight in relation to the magnitude of the problem.

Total revenues in Canada come about 25% from direct levies such as income, corporation taxes, and estate duties. In Britain, these levies provide about half of the revenue.

The balance of the taxes paid by citizens in both countries is, of course, made up of land taxation, fees of one kind and another, sales taxes (purchase tax, it is called in Britain) custom duties and contributions to government-owned enterprises such as post office—in both countries—liquor stores in Canadian provinces, etc.

Here are total government revenues for the two countries on the basis of latest budget plans. (Pound converted at official rate of $4.43).

Canada-U.K.
Millions of Dollars

| | Canada | U.K. |
|---|---|---|
| Central Government | 1,450 | 7,912 |
| Provincial | 204 | |
| Municipal | 313 | 2,281 |
| Total | 1,967 | 10,193 |

On a per capita basis (Canada, 11.4 millions; Britain, 46 millions) this works out to the Canadian contributing in all forms of taxation $172.54; the Britisher, $221.50.

But various adjustments are necessary in this computation.

In each country the citizen gets back something tangible in social services. Here the only measurement possible is the money value of these services, though this admittedly is an arbitrary gauge. Generally speaking, the Britisher has fewer contingencies for which he must budget throughout his lifetime than the Canadian.

Hence subtract from the above totals:

| | For Canada | For U.K. |
|---|---|---|
| | 361 | 2,352 |
| Total | 1,606 | 7,841 |

For the Britisher there is the further compensation of postwar credits. That is £125 millions.

These credits mean that half the income taxes now being demanded are being stored up to be returned to the taxpayer after the war. They range from 100% of the tax now collected in the lower brackets to a maximum of £65 on earned income. There are other rates for investment income.

These are being established for the two million new British taxpayers brought into the tax orbit by lowered exemptions. Credit or no credit, these extra pounds mean current sacrifice. The future gain cannot now be evaluated, but it must be borne in mind that saving has been made "easier" in England by the narrowing of opportunities for spending. All but necessities are either rationed or deliberately raised to exorbitant prices. Against this, the burden of British taxes is being felt by two million new taxpayers for the first time.

Should the provinces of Canada fail to follow through on the recent proposals of Finance Minister Ilsley, another $65 millions of taxation will be imposed on the Canadian people through income and corporation tax.

In effect a new tax, another $48 millions will be collected from Canadians through the operations of unemployment insurance.

As a "reserve for accuracy" in this computation, no allowance is made in the total for the unemployment insurance levy and $65 millions provincial extra tax is added in. The correct result, eventually, will be somewhere between.

This leaves total net taxation:

| | For Canada | For U.K. |
|---|---|---|
| | 1,671 | 7,287 |
| or per capita | $146.58 | $158.42 |

A strict comparison of the burden of government—and of war—in the two countries is mathematically impossible. For instance: Britishers get a bigger rebate from their Government in the sense that a bigger percentage of them are in government employ, either in the armed forces or otherwise.

As a result of the war, probably more than 10% of the British population is now being fed and clad by Government as members of the armed forces or the various military services. In Canada, the number actually in uniform is reported at around 250,000. Add to this the number by which the Civil Service and other government offices have been increased and the total directly supported by the Government can hardly be more than 3%. To say that three times as large a proportion of government revenues currently go to support Englishmen as Canadians would probably understate the case.

There is a more difficult factor upsetting positive calculation, the actual purchasing power of the dollar and the pound. Computations in this article have been made at the official rate of £1 equals $4.43 Canadian.

But official exchange quotations don't always reflect the true foreign exchange value of a currency. The recent low quotation on sterling in the New York free market was $2 (U. S.). The Canadian equivalent would be $2.20 to the pound and at that rate the average Britisher would be paying a little more than half as much as Canadians.

While the official quotation on sterling in Canada has varied little since the early months of the war, the internal purchasing power—real value of the pound to Britons—has dropped some 20%. While living costs have advanced from 25% in Britain, the advance in Canada has been a little over 7%. Adjusting the $4.43 official quotation for the changes in purchasing power of the dollar at sterling would result in a "corrected" exchange rate of $3.81 for the pound. On this basis, the Briton would be paying $136.24 in taxes or about $10 per capita less than the average Canadian. At $4.10 to the pound, the per capita tax burden in the two countries would be exactly equal.

You can take whatever value you like for the pound sterling in arriving at these estimates and get a correspondingly favorable or unfavorable picture of the amount of taxes the Canadian pays.

One thing is certain: whether the Englishman pays more or less, he hasn't got much of an edge over his Canadian comrade in arms.

# Market Opinions

**Brookmire Counselor, New York:** Efforts are being made to help meet the pressing (war) demand by enlarging productive capacity; but in the first effect, in the period when plants are under construction, is to further swell the demand for materials with which to erect and equip the added structures.

A mounting price level naturally puts a rising valuation on corporation assets and earnings. As a consequence, the position of equities represented by common stocks is enhanced.

# Company Reports

## Soo Line

Annual statement of Minneapolis, St. Paul & Sault Ste. Marie Railway, in bankruptcy, shows improvement of nearly $2.2 millions in working capital, reflecting improved operating results during 1940. Although gross income increased to $2.9 millions in 1940 from $1.8 million in 1939, fixed charges of over $7 millions resulted in a net loss for the year and an increase in the deficit carried forward to $41.1 millions.

Income and Surplus Account
Years Ended Dec. 31

| | 1940 | 1939 |
|---|---|---|
| | $ | $ |
| Oper. rev. | 17,137,579 | 15,345,090 |
| Less: Oper. exps. | 13,359,436 | 12,799,611 |
| Net oper. revenue | 3,778,143 | 2,545,479 |
| Less: Ry. tax accruals | 1,273,346 | 1,230,812 |
| Rly. oper. rev. | 2,504,797 | 1,314,667 |
| Add: Non-oper. inc. | 436,303 | 452,048 |
| Gross income | 2,941,100 | 1,766,715 |
| Less: Fixed charges | 7,369,899 | 7,399,100 |
| Net loss | 4,428,799 | 5,632,385 |
| Less: Credits for year. | †13,173 | 9,485 |
| Add: Debits for year§. | 383,153 | 230,215 |
| Deficit for year | 4,798,779 | 5,853,115 |
| Add: Prev. deficit | 36,714,664 | 31,306,396 |
| Less: Addns. to prop. through inc. & surp. | 9,923 | 1,496 |
| Elim., leased line cert. int. | 424,214 | 443,351 |
| Deficit forward | 41,079,306 | 36,714,664 |
| §Incl. deb. from ret. rd. & equip. | 324,930 | 196,646 |

†Not including $709,231 exchange on C.P.R. advances, excluded from the balance sheet.

Working Capital

| | $ | $ |
|---|---|---|
| Current assets | 6,894,603 | 4,739,873 |
| Current liabilities | 3,385,868 | 3,410,411 |
| Working capital | 3,508,735 | 1,329,462 |

## Bowater's Newfoundland

Net revenues of Bowater's Newfoundland Pulp & Paper Mills Ltd. reflected increased activity of North American paper mills by adding approximately $800,000 to the total for 1939, a gain of over one third. Mills worked to capacity throughout the year, and modifications and improvements carried out during the year added to productive capacity.

First mortgage bonds and debenture stock to the extent of $288,560 were retired during the year and funded debt was reduced to $27,456,310.

New sulphite mill has been completed and came into operation in March, 1941, despite some delay owing to war conditions in obtaining deliveries of plant and equipment.

Cons. Income and Surplus Account
Years Ended Dec. 31

| | 1940 | 1939 |
|---|---|---|
| | $ | $ |
| Net revenue | 2,983,505 | 2,172,367 |
| Less: Deprec. & depl. | 730,192 | 701,333 |
| Debenture int. | 748,393 | 758,904 |
| Bond int. | 478,749 | 354,619 |
| Bond disc. | 16,324 | 15,815 |
| Net profit & surplus | 1,009,847 | 341,696 |
| Add: Prev. surplus | 2,261,647 | 1,919,951 |
| Prior yr. adjust. | 198,570 | ...... |
| Surplus forward | 3,470,064 | 2,261,647 |
| Times Fixed Charges* Earned: | | |
| Before depr. & depl. | 2.40 | 1.92 |
| After depr. & depl. | 1.81 | 1.30 |

*Bond and debent. int., bond disc. w/o.

Working Capital

| | $ | $ |
|---|---|---|
| Current assets | 10,184,358 | 8,058,389 |
| Current liabilities | 2,174,998 | 2,692,486 |
| Working capital | 8,009,360 | 5,365,903 |

## Economic Investment

Larger receipts of dividends, interest and other revenues were shown by Economic Investment Trust Ltd. for the year ended Mar. 31, 1941. Gross receipts increased approximately $25,000 and after allowing for increased taxes and slightly higher expenses, the increase in net profits was approximately $19,000.

Dividends of $2 per share in the 1941 fiscal year compared with disbursements of $1.75 in the preceding year.

Portfolio changes showed increase in proportion of bonds and debentures held to 7.56% of the total against 6.63% a year ago; preferred shares rose to 35.64% from 33.71%, while common stock holdings fell from 59.66% to 56.80%. Classed according to geographical distribution, holdings of U. S. securities increased from 19.83% to 21.64%, while Canadian issues fell from 79.16% to 77.59%. Little change was shown in the relatively minor holdings of South American and European securities.

Income and Surplus Account
Years Ended March 31

| | 1941 | 1940 |
|---|---|---|
| | $ | $ |
| Dividends, int., etc. | 165,833 | 140,713 |
| Less: Rent, salaries, exps. | 9,349 | 8,947 |
| Directors' fees | 4,548 | 3,344 |
| Interest & exch. | 1,037 | 863 |
| Bond int. | 50,000 | 50,000 |
| Misc. fees | 1,708 | 1,861 |
| Income taxes | 9,818 | 4,708 |
| Net profit | 89,373 | 70,990 |
| Less: Dividends | 79,851 | 69,870 |
| Surplus for year | 9,522 | 1,120 |
| Add: Prev. surplus | 84,462 | 89,368 |
| Less: Pr. yr. tax | ...... | 6,026 |
| Surplus forward | 93,984 | 84,462 |
| Earned per Share: | | |
| Common | $2.24 | $1.78 |
| Paid | 2.00 | 1.75 |
| Investment Profit and Loss: | | |
| Net loss realized | 64,501 | *42,145 |
| Less: Exch. prem. | 10,542 | ...... |
| Tsf. from res. | 53,959 | ...... |
| Tsf. to res. | ...... | 42,145 |

*Profit.

## Wisconsin Central

For the first time in several years, Wisconsin Central Railway, in receivership, a company controlled by Minneapolis, St. Paul & Sault Ste. Marie Railway, showed a small profit in 1940.

Operating revenues in the year increased some $1 million, and the gain in gross income was approximately $403,000. After other charges, including fixed charges, net profit of $6,216 compared with net loss of $273,082 in 1939.

Working capital improved approximately $1.1 million to over $3.5 millions at the end of 1940.

Income and Surplus Account
Years Ended Dec. 31

| | 1940 | 1939 |
|---|---|---|
| | $ | $ |
| Revenue: | | |
| Transportation | 13,486,279 | 12,478,952 |
| Incidental operating | 266,319 | 251,303 |
| Joint facilities | 85,041 | 87,893 |
| Total oper. revenue | 13,837,639 | 12,818,148 |
| Less: Oper. expenses | 9,697,972 | 9,103,397 |
| Net oper. revenue | 4,139,667 | 3,714,751 |
| Less: Rly. tax accruals | 967,438 | 948,458 |
| Rly. oper. revenue | 3,172,229 | 2,766,293 |
| Add: Non-oper. rev. | 231,351 | 234,540 |
| Gross income | 3,403,580 | 3,000,833 |
| Less: Deduct. fm. gross inc.§ | 3,092,764 | 3,037,165 |
| Net income | 310,816 | *36,332 |
| Add: Credit dur. year | 5,905 | 4,702 |
| Less: Debits dur. year | 310,505 | 241,452 |
| Net profit | 6,216 | *273,082 |
| Add: Previous deficit. | 19,694,440 | 19,421,358 |
| Deficit carried fwd. | 19,688,224 | 19,694,440 |

*Loss or deficit.
§Including fixed charges.

Working Capital

| | $ | $ |
|---|---|---|
| Current assets | 4,334,459 | 2,666,289 |
| Current liabilities | 808,212 | 233,302 |
| Working capital | 3,526,247 | 2,432,987 |

## Disher Steel

After allowing for income and excess profits taxes eight times as high as in 1939, net profits of Disher Steel Construction Co., Toronto, rose to $38,123 from $13,284. Full dividends on the preferred class A stock were paid during the year, leaving arrears of dividends of $9 per share from previous years.

Working capital advanced to $172,057 at the end of 1940 from $149,749 a year earlier, and president C. E. Disher reports that plant and equipment are in excellent condition.

Fair volume of business is stated to have been carried into the current year but continuity of construction operations does not appear as probable as a few months ago, partly on account of extended deliveries of steel for other than war purposes, partly because the peak of building construction has probably been passed for the present.

Income and Surplus Account
Years Ended Dec. 31

| | 1940 | 1939 |
|---|---|---|
| | $ | $ |
| Net earnings | 75,452 | 26,788 |
| Less: Depreciation | 10,455 | 10,169 |
| Income tax | 26,810 | 3,335 |
| Investment loss | 64 | ...... |
| Net profit | 38,123 | 13,284 |
| Less: Pref. divs. | 18,760 | 12,507 |
| Surplus for year | 19,363 | 777 |
| Add: Prev. surplus | 29,217 | 28,440 |
| Surplus forward | 48,580 | 29,217 |
| Earnings per Share: | | |
| Cl. A Pref.: Earned | $3.04 | 1.06 |
| Paid | 1.50 | 1.00 |
| Common: Earned | 0.86 | d0.02 |
| None paid. | | |

Working Capital

| | $ | $ |
|---|---|---|
| Current assets | 243,785 | 183,602 |
| Current liabilities | 71,728 | 33,853 |
| Working capital | 172,057 | 149,749 |

## Thomas Heath Manager Manitoba Sugar Co.

From Our Own Correspondent

MONTREAL.—Thomas Heath has been appointed general manager of Manitoba Sugar Co. Mr. Heath comes from Preston, Idaho, where he has been vice-president and general manager of the Franklin County Sugar Co. since 1925.

## Monthly Bank Clearings

| | April, 1941 | April, 1940 |
|---|---|---|
| Halifax | 15,009,370 | 12,647,756 |
| Saint John | 10,192,766 | 9,126,758 |
| Moncton | 3,700,571 | 3,220,141 |
| Sherbrooke | 3,800,549 | 3,423,526 |
| Quebec | 20,022,241 | 20,199,353 |
| Montreal | 433,672,771 | 415,469,716 |
| Ottawa | 226,402,443 | 111,979,624 |
| Kingston | 2,952,874 | 2,570,661 |
| Peterborough | 2,846,890 | 2,467,608 |
| Toronto | 488,534,347 | 462,415,844 |
| Hamilton | 28,990,521 | 24,935,877 |
| Kitchener | 5,386,044 | 4,767,758 |
| Brantford | 4,320,280 | 3,878,725 |
| London | 10,685,011 | 10,988,275 |
| Chatham | 2,751,505 | 2,935,650 |
| Windsor | 14,911,084 | 11,590,730 |
| Sarnia | 1,993,390 | 1,762,727 |
| Sudbury | 4,930,166 | 4,222,506 |
| Fort William | 4,282,388 | 3,003,279 |
| Winnipeg | 196,161,031 | 224,542,943 |
| Regina | 19,079,212 | 15,611,787 |
| Moose Jaw | 2,516,282 | 2,141,584 |
| Saskatoon | 6,228,040 | 5,613,091 |
| Prince Albert | 1,614,844 | 1,409,582 |
| Edmonton | 20,437,356 | 16,806,032 |
| Calgary | 28,210,770 | 20,081,138 |
| Lethbridge | 2,454,799 | 2,046,542 |
| Medicine Hat | 1,331,928 | 1,059,934 |
| New Westminster | 3,391,994 | 2,826,935 |
| Vancouver | 76,773,293 | 74,263,503 |
| Victoria | 7,846,744 | 7,954,869 |
| Brandon | 1,559,682 | 1,293,714 |

## Weekly Bank Clearings

| | May 8 1941 | Change Year Ago | May 1 1941 |
|---|---|---|---|
| | $ | % | $ |
| Halifax | 3,803,962 | +16.9 | 3,937,061 |
| Saint John | 2,634,996 | +20.9 | 2,423,626 |
| Moncton | 952,030 | +20.2 | 886,830 |
| Sherbrooke | 920,102 | —5.8 | 979,085 |
| Quebec | 5,836,762 | —6.2 | 4,906,010 |
| Montreal | 126,892,186 | +18.8 | 107,470,799 |
| Ottawa | 119,891,708 | +7.0 | 40,720,621 |
| Kingston | 932,164 | +26.6 | 656,737 |
| Peterborough | 743,750 | +22.4 | 662,487 |
| Toronto | 127,669,856 | +24.9 | 122,400,586 |
| Hamilton | 6,908,946 | +30.3 | 7,924,399 |
| Kitchener | 1,334,579 | —13.6 | 1,231,655 |
| Brantford | 1,239,688 | —2.0 | 1,066,159 |
| London | 2,811,759 | +2.9 | 2,747,081 |
| Chatham | 750,840 | +19.0 | 672,437 |
| Windsor | 3,538,941 | +25.9 | 3,532,047 |
| Sarnia | 520,567 | +4.0 | 414,430 |
| Sudbury | 980,471 | +1.6 | 1,260,760 |
| St. Catharines | 1,240,930 | ..... | ...... |
| Fort William | 1,115,744 | +38.9 | 931,044 |
| Winnipeg | 84,742,233 | +50.3 | 54,789,417 |
| Brandon | 448,618 | +25.0 | 394,562 |
| Regina | 6,212,496 | +48.3 | 6,103,963 |
| Moose Jaw | 697,791 | +25.2 | 648,593 |
| Saskatoon | 1,789,634 | +15.0 | 1,610,861 |
| Prince Albert | 408,896 | +14.7 | 383,165 |
| Edmonton | 5,030,913 | +18.3 | 5,348,466 |
| Calgary | 6,282,249 | +40.1 | 7,146,352 |
| Lethbridge | 550,598 | +8.5 | 631,490 |
| Medicine Hat | 320,843 | +30.7 | 228,115 |
| N. W'minster | 805,419 | +12.9 | 852,414 |
| Vancouver | 18,663,025 | +26.4 | 19,308,026 |
| Victoria | 1,950,904 | +3.1 | 1,780,152 |

# Canadian Life Officers To Meet May 29-30

The Canadian Life Insurance Officers Association will hold its annual meeting in Toronto, May 29-30.

Newton J. Lander, managing director Continental Life, president of the association, and Louis S. St. Laurent, K.C., Quebec, are speakers for the opening day and John C. Blackhall, president, National Association of Insurance Commissioners, the United States, is speaker for the annual luncheon.

The Life Agency Officers and the Life Insurance Advertisers sections will hold their conventions May 27-29, merging their sessions on the 29th with those of the Life Officers.

### Life Agency Officers

Speakers at the Life Agency Officers Section will be:

HARTLEY D. McNAIRN, K.C., superintendent of insurance for Ontario.

F. H. HAVILAND, chairman executive committee, Association of Life Agency Officers, "Eliminating the Unfit."

J. A. McCAMUS, general superintendent of agencies, North American Life, "Level Premiums for Agents."

GEORGE H. HUNT, general superintendent of agencies, Imperial Life, "Recruiting 1941."

W. M. ANDERSON, assistant general manager, North American Life, "Unemployment Insurance."

H. A. H. BAKER, assistant general manager, Great West Life, "Recruiting."

CECIL J. NORTH, third vice-president, Metropolitan Life, New York, "Management Accepts."

Programme for the Life Insurance Advertisers Association meetings includes addresses as follows:

S. E. NIXON, Chief of Research Division, War Savings Committee, Ottawa, "Life Insurance and War Finance from the Economic Point of View."

J. T. BRYDEN, assistant treasurer, North American Life, "Life Insurance and War Finance from the Companies' Point of View."

SCOTT H. W. FYFE, publicity executive, Canada Life, will lead the discussion.

R. LEIGHTON FOSTER, K.C., general counsel, Canadian Life Insurance Officers Association, "New Horizons."

A. GORDON NAIRN, field supervisor, Life Underwriters Association of Canada, "Life Insurance and War Finance from the Fieldman's Point of View."

J. H. CASTLE GRAHAM, publicity executive, London Life, will lead the discussion.

FRANK DOWSETT, advertising manager, Gutta Percha Tire and Rubber Co., "What Price Humor."

R. P. WEBBER (Thomas Richard Henry) financial editor, The Toronto Evening Telegram and

R. D. CROFT, president, Croft Printing Co., Toronto, "Life Insurance and War Finance from the Public's Point of View."

A. L. CAWTHORN-PAGE, Canadian manager, Publication Division, Metropolitan Life, Ottawa, will lead the discussion.

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1-41

# Circulation Rises At Bank of Canada

Note circulation of the Bank of Canada, for the week ended May 7, showed a contra-seasonal rise of $3.8 millions.

One factor responsible for this, according to bankers, is the larger amount of cash people are keeping at home and in their pockets. Many wage-earners, paid in cash, have not yet started deposit accounts which, adds to the amount of actual cash in circulation.

Deposits of the Dominion Government were more than $43 millions higher. At least part of this is understood to be proceeds from the sale of war savings certificates.

Deposits of the chartered banks were down $24 millions, probably due to the clearing of cheques on them, payable to the Government for war savings certificates.

On the credit side, holdings of sterling and United States exchange continue to accumulate, evidently the result of payments from abroad for war supplies.

| | May 7 1941 | Apr. 30 1941 |
|---|---|---|
| | $ | $ |
| Capital paid-up | 5,000,000 | 5,000,000 |
| Notes in circ. | 376,317,046 | 372,596,683 |
| Rest fund | 3,722,910 | 3,722,910 |
| Depos.: Dominion. | 62,052,460 | 18,247,671 |
| Bank | 202,013,008 | 228,858,788 |
| Other | 8,620,810 | 3,770,168 |
| Total deposits | 272,686,278 | 250,874,627 |
| All other liabs. | 5,766,005 | 5,248,439 |
| Total liabs. | 663,492,239 | 637,442,659 |
| Assets | | |
| In sterl. & U. S. | 167,369,325 | 133,994,324 |
| Subsid. coin | 838,351 | 799,305 |
| Investments: | | |
| Dom. gov. short | 363,999,557 | 372,484,405 |
| Other Dom. gov. | 117,810,058 | 118,150,758 |
| Total invest. | 481,809,615 | 490,635,163 |
| Premises | 1,736,176 | 1,737,751 |
| All other assets | 11,738,772 | 10,276,116 |
| | 663,492,239 | 637,442,659 |

# Credit Unions Show Growth

### Number in Ontario Rises to 67 — Assets $1.9 Million

The credit union movement in Ontario has shown substantial growth during the past year, the number in operation on March 31 being 67 with 14,461 members, compared with 16 unions and 8,809 members, the year before.

Since the Co-operative Credit Societies Act 1922 and up to March 31, 1941, 77 credit unions have been incorporated, of which one has been dissolved and nine had their certificates of incorporation cancelled.

There is still a substantial number of societies operating as and calling themselves credit unions which, it is expected, will become incorporated in due course. The law provides that no organization may use the words "credit union" without being incorporated.

During the past year, the Ontario credit unions bought $16,336, Dominion War Loan bonds and war savings certificates.

Purposes for which these credit unions were established are:

To promote thrift among the members by providing a system for accumulating savings in periodic installments.

To provide credit for the members at a low rate of interest.

To provide a method whereby, through self-help, members can be educated and encouraged to solve their financial problems generally.

Bad debts charged off during the year totalled $355 or less than 3/100 of 1% of the total amount loaned.

Figures of important items follow:

| | March 31 1941 | March 31 1940 |
|---|---|---|
| Number operating | 67 | 16 |
| Membership | 14,461 | 8,809 |
| Number borrowing | 6,296 | 4,309 |
| | $ | $ |
| Deposits | 1,057,695 | 1,041,371 |
| Share capital | 600,746 | 390,838 |
| Amt. loaned | 1,424,603 | 995,726 |
| Assets | 1,936,932 | 1,657,909 |
| Guarantee funds | 178,346 | 159,228 |

# Is Elected Director Of Bank of Canada

E. J. Tarr, president of the Monarch Life Assurance Co. of Winnipeg, has been appointed a director of the Bank of Canada. He will fill the vacancy caused by the death of Robert McQueen, professor of Political Economy, University of Manitoba. Mr. McQueen's term does not expire until February, 1942, and Mr. Tarr will fill out the term.

Mr. Tarr has acted as chairman of the Manitoba War Savings Committee since its inception in May, 1940. He is also chairman of the Manitoba civil service superannuation board, the international finance committee of the Institute of Pacific Relations, a past president of the Institute of International Affairs and a trustee of the Winnipeg Foundation, a privately endowed foundation engaged in charitable works.

## Staff Changes

The Dominion Bank announces the following staff changes:

A. M. SLATTER, formerly accountant, Market branch, Toronto, to be manager Davenport Rd. & Laughton Ave., Toronto.

J. C. BACKUS to be accountant Market branch, Toronto.

T. N. GILES to be accountant, Peterborough, Ont.

• • •

The Bank of Nova Scotia announces the following staff changes:

R. A. ELDER to be assistant manager London, England.

A. E. WILLIAMS to be accountant London, England.

V. J. COX to be supervisor Cuban branches.

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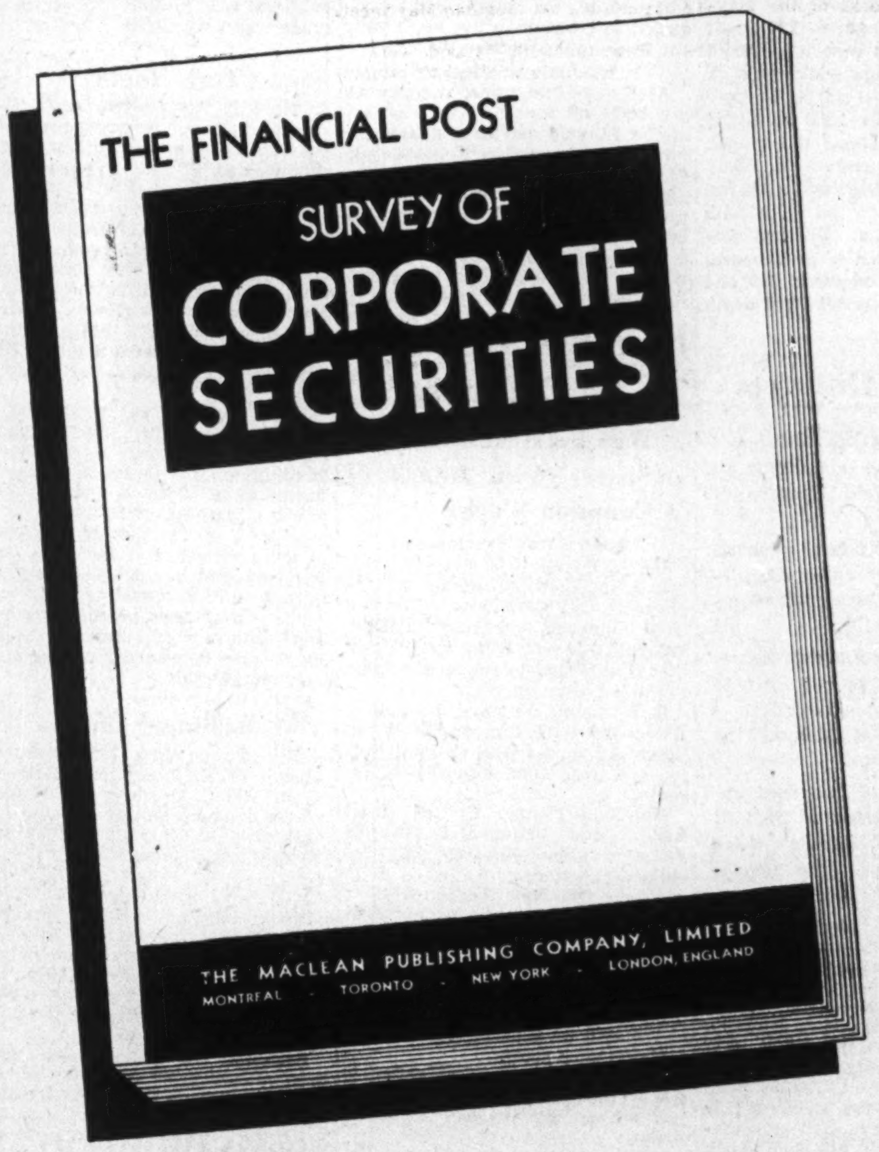
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**Week in Mining**

# Ask Congress to Extend Gold Revaluation Power

### Bill Now in Committee Would Extend Dollar Devaluation Power and $2 Billions Stabilization Fund to June 30, 1943

That further devaluation of the American dollar—and a further boost in the price of gold—has not been ruled out by the war is revealed by the requests of the Roosevelt administration for an extension of the president's power to devalue the dollar and operate the $2 billions stabilization fund beyond June 30, 1941, the date his powers would ordinarily expire.

A bill introduced to extend the president's powers to June 30, 1943, is now before a committee and a bitter fight is expected in Congress. Secretary of the Treasury Morgenthau has appeared before the committee in support of the bill and members of the committee have called for Chairman Marriner S. Eccles, of the Federal Reserve System, to present his views. Mr. Eccles favors allowing the president's power expire on June 30. However, as Mr. Eccles does not wish to embarrass the United States treasury or White House, it was regarded unlikely that he would appear before the committee.

### *Morgenthau's Statements*

From the statements of Secretary of the Treasury Morgenthau, devaluation is just as much a possibility today as two years ago when the extension of the powers was sought. Power to devaluate was seen a real need. The international exchange markets have been more disrupted than they have been in the past 20 years, he declared and "I am afraid that the period ahead of us will be even more critical."

Mr. Morgenthau pointed out to the committee the advantage that the profit realized on the devaluation of gold had given through the establishment of the stabilization fund. This fund had allowed the stabilization of both the Argentine and Chinese currencies by loans of $50 millions to each country. Concerning the loan to China, Mr. Morgenthau stated "These stabilization arrangements with China should be of great aid to China in her monetary problems. In fact the mere knowledge in the far east of the contemplated arrangement has been of some assistance to the Chinese monetary position."

* * *

### *Alumina Ore For Canada?*

Canadian mining men are interesting themselves in production of alumina ore in Canada so that our great aluminum producing industry will not be entirely dependent on imported supplies of bauxite ore from British Guiana as at present.

At the annual meeting of Ventures Ltd. last week it was revealed that a pilot plant had been authorized for testing a Canadian deposit. This plant will be used to establish costs for production of native alumina. Canadian requirements of bauxite ore for 1942 are estimated at no less than 4 million tons and provision of a Canadian source of supply would undoubtedly be an important development. If any quantity of commercial grade ore could be produced in this country, strain on the Empire's shipping facilities might be considerably reduced.

* * *

### *Nickel in Machine Tools*

Research has made nickel more valuable this war than in the last in a rather unique use—in the manufacture of machine tools, according to Robert C. Stanley, Inco president. More than 80% of the leading machine tool producers now use nickel cast iron and nickel steels. Lack of nickel will certainly handicap the Nazis in keeping up in the armaments race, in this instance at least.

Production of machine tools has reached heights that would not have been thought possible a few years ago. The United States 1940 volume of $450 millions was more than double the previous high of 1939. Spurred by the unprecedented demands of rearmament and defense, North American machine tool shipments this year will very materially exceed the all-time peak of 1940. The present level of output compares with a 1931-4 average of only $30 millions.

* * *

### *Quebec Gold Output Up*

With a gold output valued at more than $10 millions from 20 mines during the first three months of the present year, prospects in Quebec are that 1941 will prove to be a record year in the gold mining field and that the 1940 figures will be easily surpassed.

Production for the first quarter this year was valued at $10,315,613 in Canadian funds, and represented 267,938 ounces of the precious metal. The first quarter of 1940 saw 250,623 ounces of gold produced.

Nearly two million tons of gold ore were treated in various smelters and mills to obtain the 267,938 ounces of gold which formed the quarterly output, and of this amount Noranda, as is but natural, mined the largest amount of ore. Some 640,017 tons, or approximately one third of the entire provincial total, was mined by Noranda, whose production for the quarter was valued at $2,469,043.

* * *

### *Rossland Revival*

Things are stirring again in the old Rossland mining camp in British Columbia. The Mayflower mine, two miles south of the townsite of Rossland, has been reopened and on the neighboring Celtic Queen group of eight claims, further prospecting is planned this summer following discovery of a new vein.

In the main tunnel of the Mayflower mine, a length of 220 ft. of commercial ore is reported opened up with an average width of 6 ft. Surface stripping is stated to have traced the vein for 1,600 ft. giving backs of 500 ft. above the tunnel. Drill holes have cut the vein 125 ft. below the outcrop indicating an improvement in width and value with depth, it is stated. Drilling now under way is stated to be aimed at cutting the vein between 250 and 300 ft. below the tunnel for a depth test.

## Gold Fields Shaft Near Completion

### Drifting West at First Level Nears Structure Shown By Drilling

From Our Own Correspondent

MALARTIC, Que.—Shaft sinking at Malartic Gold Fields has now been carried to a depth of 1,170 ft. with completion to the 1,350-ft. objective expected some time next month. On completion of sinking, opening up of four new levels at 750, 900, 1,050 and 1,200 ft. is to be undertaken.

Initial lateral development will be carried out on the 900 and 1,200-ft. levels in July while ore and waste passes are being cut with a loading pocket installed below the 1,200-ft. level.

**West Drift Out 1,400 Ft.**

The exploratory drift to the west on the first or 175-ft. level has now been carried 1,400 ft. The face is within 200 ft. of the section where surface diamond drilling indicated a new ore structure. One diamond drill hole there showed two parallel ore intersections, one running 0.22 oz. over 19.3 ft. and the other 0.22 oz. over 17.4 ft.

During the current year, diamond drilling is to be carried out along the 8,000 ft. length up to the west boundary. Geology is stated to indicate considerable promise for this section.

The "F" ore body has been opened up on the 175, 300 and 425-ft. levels. On the 175-ft. level it shows 300 ft. of ore averaging 0.27 oz. over 5.3 ft. On the next level the ore length is 410 ft. averaging 0.30 oz. across 6.4 ft.

**Two Shoots At 425 Ft.**

On the 425-ft. level, two ore shoots have been opened up in the "F" zone. The first has a length of 155 ft. running 0.30 oz. over 6.0 ft. while the second is 215 ft. long averaging 0.28 oz. over 6.5 ft.

The "B" ore body has given 125 ft. of ore on the first level and it is now being developed on the three levels below.

Changing over the mining system from shrinkage to cut and fill stoping may involve somewhat higher operating costs. The higher cost—which may give an operating cost of as much as $4.25 per ton—will be offset by control of dilution and a consequent improvement in grade milled.

## Mining Reports

### Little Long Lac

Highlights of the annual report of Little Long Lac Gold Mines for 1940 are as follows:

Earnings of 29.7 cents a share, only 1½ cent lower than the previous year despite an $80,000 increase in taxes.

A sharp increase in ore reserves at 451,000 tons of proved ore with 0.480 oz. grade against 403,878 tons of 0.507 oz. grade at the end of the previous year.

Working capital increased approximately $100,000 at $663,297 after payment of 30 cents a share in dividends or the same amount as in the previous year.

A location has been selected for a new internal shaft north of the west end of the vein at the 2,250-ft. level. During 1940 the 13th, 14th, 15th and 16th levels were completely developed. The western end of the main vein—between 500 and 600 ft. of it—has been faulted 140 ft. to the south on these levels. Ore has been developed along the strike of the fault. Ore on the faulted or southern part of the vein has been above mine average.

**Income and Surplus Account**
**Years Ended Dec. 31**

| | 1940 | 1939 |
|---|---|---|
| | $ | $ |
| Bullion recovery ..... | 1,761,708 | 1,699,078 |
| Less: Marketing ...... | 21,581 | 21,511 |
| Net production ....... | 1,740,127 | 1,677,567 |
| Less: Development ... | 201,192 | 167,751 |
| Mining ............ | 329,686 | 401,908 |
| Milling ............ | 174,236 | 164,791 |
| Mine off. & super. . | 38,975 | 36,305 |
| Gen. mine expense . | 58,648 | 40,305 |
| Adm. & gen. exp. . | 32,565 | 29,559 |
| Operat. profit ........ | 904,825 | 836,948 |
| Less: Depreciation ... | 176,554 | 162,582 |
| Income taxes ...... | 188,295 | 107,461 |
| | 539,976 | 566,905 |
| Add: Non-oper. rev. . | 6,783 | 2,516 |
| Net profit ............ | 546,759 | 569,421 |
| Less: Dividends ..... | 552,300 | 551,500 |
| Surplus for year ..... | *5,541 | 17,921 |
| Add: Prev. surplus ... | 132,296 | 114,375 |
| Surplus forward ..... | 126,755 | 132,296 |

*Deficit.

**Earnings per Share and Dividend Record:**

| | 1940 | 1939 |
|---|---|---|
| Earned ............. | $0.297 | $0.31 |
| Paid ............... | 0.30 | 0.30 |
| No. of Shs. Outstand.. | 1,841,000 | 1,841,000 |

**Working Capital**

| | 1940 | 1939 |
|---|---|---|
| | $ | $ |
| Current assets ....... | 901,675 | 715,282 |
| Current liabilities ... | 238,378 | 148,767 |
| Working capital ...... | 663,297 | 566,515 |

## No War Boost For Inco Net

### First Quarter Results Show Profits Off 4 Cents a Share

While earnings of 60 cents a share U.S. funds for International Nickel Co. of Canada in the first quarter of 1941 represented an increase of a cent a share over the preceding quarter, profits were actually lower than in same quarters of the two preceding years, despite the current high level of production.

In the first quarter of 1941, earnings had been equal to 64 cents a share. A profit of 62 cents a share had been reported for the first quarter of 1939.

**Taxes Cut Into Earnings**

The decline in 1941 results from the corresponding period 1940 figures can be traced almost entirely to increased taxes. Net operating profit rose from $15,653,570 to $18,274,104 but this was almost entirely offset by the increase in the tax provision from $3,632,002 to $6,158,473. After allowing an extra $700,000 for retirement system and other items, net profit was $9,239,709 against $9,820,114.

Working capital position showed slight improvement at Mar. 31, 1941, net cash assets amounting to $76,920,899 against $74,999,980 at the end of 1940.

**Cash Assets $103 Millions**

Current assets which totalled $102,971,832 against $103,597,701 included $31,275,058 cash and time deposits, treasury bills and short-term securities of $21,151,406. Inventories were slightly higher at $33,139,186 against $32,502,616.

After allowing $2,461,542 for exchange adjustments, surplus carried forward at Mar. 31, 1941, was slightly lower at $74,753,360 against $75,747,752 three months earlier but it was still higher than the $70,861,908 as at Mar. 31, 1940.

## Privateer Starts Big Programme

### Three New Ore Bodies Found Since First of the Year

With the largest development programme in its history now under way. Privateer Mine has recently been securing promising new development results, states D. S. Tait, president. Three new ore bodies have been found and developed to some extent since the first of the year.

New levels are to be opened up this year in both the main Privateer and Prident sectors.

**Free Gold at 1,350 Ft.**

On the new 1,350-ft. level, in the main Privateer mine, a spectacular pocket of free gold was found in initial drifting but no ore length has yet been found. Early results have been somewhat more promising than on the 1,200-ft. level. About four months will be required to drift out the No. 1 vein on the 1,350-ft. level, and probably six months will be required to crosscut to the No. 2 vein and to complete drifting there.

**New Ore at Prident**

At the Prident mine, the newest ore body on the 400 level, known as the 3A vein, has been drifted on for 50 ft. with good ore in the face. It gives on the average a very moderate grade but recently carried a rich pocket of free gold. The new 500 level is now well started and drifting is proceeding on contract. Several months will be required to explore the principal properties on this level.

## Fairview Amalg. To Be Financed

### Will Issue $1 Preferred Shares With Bonus of Common Stock

From Our Own Correspondent

VANCOUVER.— Vancouver interests have taken an option on the property of Fairview Amalgamated Gold Mines and a programme of development is now being worked out that is expected to return the mine to the list of producers.

R. B. Lamb obtained the option. Associated with him are T. W. B. London, Elmer Johnston, Matt Sutton and Sam Kerr, formerly of Toronto.

Mountain Copper Co. of Great Britain had arranged to finance Fairview before the war, but was obliged to withdraw.

**Issue One New for Ten Old**

Under the proposed set-up present shareholders of Fairview will receive one new for every 10 shares now held. Financing will be by preferred shares, each $1 preferred carrying a bonus of 7½ common. The preferred will be redeemed before the common participate.

The syndicate's first obligation is to pay the present company's debts and redeem the present preferred shares.

Holders of more than 75% of the preferred shares in the present company have agreed to accept 70 cents a share in full settlement. Including 14 cents per share arrears of dividends, their claims are $1.14 per share.

## Woco Meet to Discuss Plans For Future

At the annual meeting of Woco Gold Developments to be held May 20 in Toronto, the company's future policy will be determined, George T. Meech, president announces.

Northern Canada Mines allowed its option on 41 claims in the Uchi area to drop on May 1 and as prospecting by the company's crew revealed no further possibilities, no activity is planned for the next year. Much of the company's future is stated to depend on a holding of 127,730 shares of Uchi Gold Mines. Possibility of winding up the company and of distributing these shares will be discussed at the meeting, but it is held doubtful if this move would be constructive. Woco shareholders would receive 7½ Uchi shares for each 100 Woco shares. A total of 90% of any new company's shares would be held in pool.

# Week in Oils

### *Thirty Wells Drilling*

From Our Own Correspondent

CALGARY. — Thirty wells are again drilling in Turner Valley, with the spudding in a few days ago of Royalite No. 57 and United-B. A. No. 1, both on the central west flank of the structure. The new Royalite venture is in L.S.D. 2 7-19-2w5, while the United-B. A. well is in L.S.D. 16 12-19-3w5.

Of the 30 drilling wells, a record number—seven—are now in the Madison limestone, on the last lap to completion. Their completion won't seriously reduce drilling activity, however, as at least 10 new wells have been located and will be spudding in as rigs become available.

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### *Major Nears Completion*

Early this week the roster of wells "in the lime" showed Major Oil Investments No. 1 drilling 1,098 ft. in the Madison at 7,504 ft., with the bit still above the lower porous horizon. This well encountered the same secondary fault which resulted in Royalite 35 drilling 1,209 ft. into the lime to reach the base of the lower porous.

Lion-Sunray No. 1 is drilling below 8,130 ft., 314 ft. in the lime. Twin Valley No. 2 is 115 ft. in the Madison at 8,101 ft., while Royalite No. 55 is 111 ft. in the lime at 7,290 ft. Atlas Royalties No. 1 is making hole 84 ft. in the lime at 7,672 ft., while Empress Syndicate No. 1, which topped the lime at 8,680 ft., and Harris No. 3, which entered the lime around 8,690 ft., are setting casing, preparatory to drilling into the Madison to completion.

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### *New Blood Indian Reserve*

The Northwest Co.'s first Blood Indian Reserve test, Northwest-West No. 1, is being abandoned after careful tests failed to show commercial production. The fact, however, does not signify the end for the Blood Reserve area.

Northwest has already staked location for a new test, to be known as Northwest-Treaty No. 1, and is now moving in the heavy-duty rotary rig from the first Blood Reserve test. The new well is located in L.S.D. 4 17-8-23w4, about 18 miles north of the Northwest-West well and around 10 miles west and south of the City of Lethbridge. Drilling will get under way in the very near future.

* * *

### *Test Princess 4 Well*

Standing with casing cemented 23 ft. in the Madison lime at 3,240 ft., Standard of British Columbia's Princess No. 4 well was to drill out and start testing, probably this week. The hole is bottomed 83 ft. in the lime at 3,300 ft., at the base of the section from which Princess No. 2 obtained substantial oil production.

It is understood that the lime at Princess No. 4 showed oil saturation, with no evidence of water, but that drill-stem tests did not show any volume of oil. It will be necessary, therefore, to break open the lime with acid treatment and/or gun-perforation before possibilities of the well can be determined.

Princess No. 5, early this week, was core-drilling below 3,271 ft., 56 ft. in the Madison lime, close to completion.

* * *

### *Steveville 3 Shows Water*

Anglo Canadian-Steveville No. 3 is understood to have encountered considerable sulphur water, along with some gas, in a test made during the week end of the Devonian limestone section between 3,934 and 3,944 ft. Drilling, it is understood, will be carried from present bottom at 3,944 ft. to the contract depth of 4,000 ft., after which further tests of possibilities in the Devonian, Madison and overlying sands may be made.

The outlook for this well, however, does not now appear to be very bright. Due to a localized condition, the Madison lime at Anglo-Steveville 3 was practically "dry," and no oil-bearing horizon such as that found at Princess No. 2, three quarters of a mile to the west, was found. The tests made of the sands overlying the Madison at Anglo-Steveville 3 are understood to have shown a mixture of oil, water and gas.

# Mining Enquiries

### Wright-Hargreaves

As a shareholder of Wright-Hargreaves Mines, I have been disturbed by recent weakness in the company's stock. Can you offer any explanation?

---

While shares of Wright-Hargreaves have been weak on the market for some time, nothing of an official character has been given out that would account for this. There has been a slight reduction in the rate of dividend distribution, but nothing that would suggest that poor results are being obtained. Earnings in the fiscal year ended Aug. 31, 1940, were equal to 77 cents a share or 3 cents a share more than in the previous year.

The company has been able to maintain a satisfactory ore reserve for many years. The reserve reported at the end of last August was sufficient to keep the company's mill in operation for considerably over three years. Last year was the first year for over a decade, however, that the ounce gold content of ore reserves was lower. The drop in grade was very slight, however.

### Teck-Hughes

What is the position of Teck-Hughes? Does dropping production mean the company's earnings are waning?

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While production has been gradually decreasing at Teck-Hughes Gold Mines for some years, profits of the company have been sustained through dividends from the subsidiary, Lamaque Gold Mines. In the year ended Aug. 31, 1940, earnings were equal to 48 cents a share with 45 cents a share paid out in dividends.

In the previous year when 42 cents a share was earned, the company paid 43 cents a share in dividends. Earnings are distributed in quarterly payments of 10 cents a share, plus extras as earnings warrant it.

In spite of the gradual decrease in total ore reserves available, the company still has sufficient ore to keep the mill in operation about two years. A feature of recent work has been discovery of subsidiary veins which have improved the mine outlook considerably.

### Hollinger Cons.

For many years I have held shares of Hollinger Consolidated Gold Mines. In view of the age of the company's mine, would you tell me if the company is still able to maintain its position?

---

Hollinger Consolidated Gold Mines has demonstrated its ability to maintain earnings on an even keel in spite of a large step-up in taxes since the outbreak of war. In 1940 the company earned $1.18 a share or two cents a share more than in the preceding year.

Although the company has now been producing for approximately 30 years, production remains stable and ore reserves have shown an increasing tendency since 1937. At the current rate of production, reserves are sufficient for approximately six years' milling.

Besides its own mine, Hollinger has taken interests in a number of outside projects which have proved successful. These include San Antonio Gold Mines, Young-Davidson Mines and the Ross Mine in Hislop Township, Ontario. A 50% interest is also being taken in the financing of Jerome Gold Mines which is now installing a 500-ton mill.

Dividends continue to be paid at the rate of five cents a share four-weekly together with sufficient extras to bring total payments to $1.10 a share per annum.

### Siscoe Gold

Friends tell me that conditions at Siscoe Gold Mines may have taken a turn for the better. What is the position now?

---

Siscoe Gold Mines plans to increase its milling rate to 850 tons daily by August, 1941. It is hoped that the company can offset diminution in the average grade of ore treated by milling a greater tonnage of ore.

Improved results will depend in large part on the ability to establish lower costs with treatment of greater tonnage of ore. At the new milling rate, ore reserves reported for the end of 1940 would be in the neighborhood of two years' milling requirements. Average grade of this ore is in the neighborhood of $7.20 a ton compared with an average recovery of $7.61 a ton in 1940.

Working capital has been built up to $1,016,548 at the end of 1940 or the equivalent of over 20 cents on each outstanding share. Increase in the milling facilities may cut into this working capital somewhat, but it is anticipated that working capital will not drop below $800,000 to $900,000.

## Siscoe Profit Off Last Quarter

Earnings of Siscoe Gold Mines showed a decline to $106,665 or 2.3 cents a share in the three months ended Mar. 31, 1941, compared with $130,889 or 2.8 cents a share in the first quarter of 1940.

Production showed only a minor decline at $450,740 compared with $455,780 the first quarter of 1940, lower profits being due to increased operating costs. These costs rose from $253,263 to $277,827 while depreciation charges were down about $8,000.

**Tax Charge Lower**

Allowance for taxes was $41,361 against a figure of $39,046 for the first quarter of 1940.

A dividend of two cents a share has been declared by the company payable June 16, 1941 to shareholders of record May 16. Ex-dividend date is May 15.

The company is proceeding with installation of additional milling equipment to allow treatment of lower than average grade ore known to be available. This equipment is not yet in operation, however, and it will be some time before it is felt in operating results.

## Sherritt Gord. Finds Ore West

### Operating Profit $222,821 1st Quarter Against $198,559 Last Year

Satisfactory ore intersection has been made by Sherritt Gordon Mines in the first of a series of deep surface drill holes being put down northwest of the mine workings, the company's quarterly report states. The ore intersection just made was 500 ft. in advance of the mine workings.

Further drilling is now being done in the same direction. Diamond drilling is also being continued below the 6th level in the west mine. Drilling carried out on a sharply folded area in the northeasterly part of the property encountered two good sized bodies of massive mineralization with negligible copper values.

**Working Profit Higher**

Operating profit the first quarter of 1941 amounted to $222,821 before write-offs compared with $198,559 for the first quarter of 1940 on the same basis. Net return from metal sales showed an increase from $895,927 to $902,425.

Mill rate was higher with 163,606 tons of ore milled the first quarter of 1941 against 158,091 tons the same period of 1940. Practically all mill feed the first quarter of 1941 came from the west mine. Costs were slightly higher than the average for the preceding year.

A cost-of-living bonus of 20 cents a share per day was made effective Feb. 1, 1941, applicable to all employees on daily or hourly rates and to all salaried employees receiving less than $200 per month.

A dividend of five cents per share has been declared payable June 25, 1941, to shareholders of record May 23.

## Bart Malartic Now Drilling

### First Hole Intersects Three Mineralized Sections

Following a geophysical survey which gave "kicks" 10 or 12 places on the company's property, Bart Malartic Gold Mines has commenced a programme of 5,000 ft. of diamond drilling to test favorable geological features including a possible geological offshoot from the Malartic Gold Fields property which adjoins to the northeast.

A first drill hole being put down in the northeast part of the property has shown three mineralized sections, the first being a core length of 10 ft. These sections are being examined microscopically. Assays have not yet been made.

**Holds 600 Acres**

Other holes will be put down with location determined by results secured in the first hole. The Bart Malartic property comprises 15 claims, 600 acres. Authorized capital of the company is 2.5 million shares with 1,630,000 shares issued including 730,000 shares pooled. Most of the funds for work have been provided privately.

Operations are being supervised by J. P. Norrie, general manager of East Malartic and Malartic Gold Fields. Drilling is being done under contract with Inspiration Mining and Development Co.

## Oil Company Merger Gets Court Approval

Merging of nine Turner Valley oil companies into Amalgamated Oils Ltd. secured approval of Justice G. B. O'Connor in Alberta Supreme Court Chambers last week. The merger had previously been approved by shareholders of the companies concerned.

Amalgamated Oils, the new company, will have an authorized capital of 1.5 million shares. Shares will be issued for assets of the companies taken over. Basis of the amalgamation was covered in these columns previously.

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## Semi-Annual Dividends Young-Davidson Plan

Semi-annual dividends are planned by Young-Davidson Gold Mines starting with the next payment, probably late in June or early in July, President Weldon C. Young informed shareholders at the annual meeting.

Output this year is expected to be better than that for 1940 since grade is expected to show moderate improvement. Ore reserves are estimated sufficient to maintain the present production rate between 10 and 15 years. Development work is to be concentrated on exploration of the new ore zone in the northeast corner of the property, extending in from the Matachewan workings.

Due to a three-day shut-down in March and other delays, output for the first four months was down at $471,163 from $476,247 the same 1940 period. Net profit for the first four months was $99,932.

## Draper Dobie & Co. Adds New Branch

A new branch office has been added by Draper Dobie & Co., members of the Toronto Stock Exchange, with the taking over of Whalen & Co., Port Arthur, Ont., as a going concern.

The new branch will be in charge of E. C. Whalen who was responsible for the original establishment of the business in 1936.

## Internat'l Utilities To Buy Subsid. Bonds

International Utilities Corp. has received approval from the Securities & Exchange Commission, Washington, to purchase an additional $1 million of the 6½% collateral trust bonds due July, 1945, of its subsidiary, Dominion Gas & Electric Co. The approval follows previous orders giving the parent company permission to buy up to $442,500 of the subsidiary's bonds.

International Utilities must report twice a month to the Commission, specifying the amounts purchased, cost per unit, amount of commission and fees paid in each case, name of broker or dealer through whom purchased or of any private vendor and the total amounts paid.

The bonds must not be bought at private sale at a price higher than the last public transaction. No bonds are to be purchased from any person associated with International Utilities, including Chandler & Co. (an investment firm with which is associated W. P. Chandler, president of International).

The order expires Dec. 31, 1941, and can be revoked at any time if the Commission deems the circumstances are such as to make further purchases incompatible with the public interest.

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# Careful Study Key to Mine Investment

## Further Review of Rules Outlined by Contestants

By GORDON M. GRANT
Staff Writer, The Financial Post

Three important angles of the 1941 mining investment problem were brought out by 70 entries to The Financial Post's Investing in Canada's Mines contest. As reviewed last week, proper interpretation of a mine's ore position was found to be fundamental to successful mining investment.

But besides this, two other angles shared the spotlight. One was the great stress on careful planning — common sense. Contestants found that ordinary investment rules are even more important when it comes to buying mining stocks; that mining investment can be aided by specialized knowledge but that specialized knowledge is by no means essential; that interpretative ability is often the key to success.

Great emphasis on a new set of factors was the third point of distinction. Factors neglected in peacetime are suddenly playing a leading role in determining share prices.

Take taxes, for instance. Before the war many people ignored taxes when buying shares. Now, not only must the effect of big tax bills be studied but possible further tax increases must be studied before making commitments in either gold or base metal issues. Not a cogent factor before the war, inflation implications must be reviewed carefully. Timing has become even more important and must be tied to international developments as much as to specific mine developments.

**Management Must be Good**

Management must always hold a key position in success of any mining enterprise, contestants found. No two managements will get the same profit out of a property. In assessing a management's ability and integrity, contestants advised an investigation of past record. Good executives usually associate with other good executives. If one or two good men are found on a board of directors, chances are that the others will prove satisfactory or will not have the determining say in the board of director's decisions. Good men do not usually stay on a board of directors when decisions with which they do not agree are being made.

From the taxation viewpoint, most contestants found the mining industry preferable to many other industries. Mining companies are only taxed on two thirds of profits with one third allowance for depletion. In addition, the individual pays income tax on only four fifths of his mining dividend income as a fifth is allowed for depletion or return of capital.

**How Taxes Affect Policy**

The Dominion Government's desire to encourage gold production—as evidenced by offers of tax rebates for greater output—was viewed as making gold mining a "preferred" industry from the investor's standpoint. Many took increased taxation as a certainty. Present high taxation was seen as an important molder of investment policy by the contest winner, W. R. Tapprell. In view of high taxation, capital appreciation may be more desirable than a relatively high dividend income. Capital appreciation is not subject to tax but income is. If a relatively high dividend yield is sought, personal income may be boosted into a higher tax bracket and the net gain in securing a high dividend yield may be small or negative if quality of security has been sacrificed to secure a high yield.

The higher the personal income the greater the importance of not stressing too much the large dividend yield feature. Those who pay in the higher income brackets may desire to buy into mining companies that are paying out a relatively small proportion of profits in dividends. This has the effect of keeping income down and enhancing capital. Several Canadian mining companies are understood to follow a conservative dividend policy because it is not in the interests of the wealthy men controlling them to have too large profits distributed.

**Small Investor Benefits**

If the very wealthy investor cannot afford to buy heavily into high yield securities of companies paying out practically their entire profits in dividends, an opportunity may be presented the small investor to make money. His income tax may not be boosted appreciably by buying high yield securities. Yet these high yield securities may be somewhat depressed because wealthy holders have felt it advisable to liquidate and get into something with a lower yield.

Desirable in any investment portfolio, diversification was felt to be still more important in a well-planned mining portfolio. While one mine may have a satisfactory experience for years, Canadian mining history shows that unexpected developments often do occur with the individual mine; that in mining least of all does it pay to place all one's eggs in one basket. This was felt particularly true of junior golds and developing properties. "Plunging" may make the individual fortune but usually leads to difficulties.

**The Diversification Question**

In the interests of diversification, many contestants included both golds and base metals in their portfolios although they preferred one type of security to the other. Here is a quotation from one entry on the subject:

"The investor wishing to buy into Canada's mines to get greater diversification in his investments should also diversify his investment in the mining industry by sharing it in the base metals as well as the gold producers, and buy into the different mining camps from one end of the country to the other in order to obtain still greater diversification and guard against possible local labor trouble or provincial taxation."

A possible danger was seen in including second rate issues in the investment portfolio while trying to secure greater diversification. It was believed, however, that there are plenty of good mining investments in Canada so that quality of investment can be secured at the same time as diversification.

**Pros and Cons of Inflation**

Most contestants considered the possibilities of inflation when selecting the investment portfolio. One contestant liked base metals for the duration of the war but preferred golds afterward. This is the way he reasoned:

"So far in Canada, there has been no such runaway trend in price levels as in the Great War. But if the national expenditures continue to mount to more than twice the amount raised by taxes—and, indeed, they must—this in itself constitutes the first elements of inflation. As this process goes on, and as the war continues, it will be increasingly difficult to curb price increases.

"In times of inflation, an investment in base metals is apt to prove more profitable than an investment in golds. For base metals have an opportunity to raise selling prices to compensate for increased costs of production which is denied to golds whose product is marketed at a pegged level. But as the need for gold is, and will continue to be vital, it is a reasonable premise that the Government would at such a time take measures to compensate gold producers for such increased costs.

"If the war should end this year, or next year, or the year after, there would likely be a violent, if perhaps short, period of deflation. Industries geared to unheard-of production levels would find the urgent need for implements of war gone. Factories would curtail, employment decrease, prices would, gradually at first, then more swiftly, slump. Base metals would be among the first to suffer. But not so with gold. As much gold would be required as ever, for war debts, for rehabilitation of armed forces, for the period of adjustment—and the price of gold would be fixed."

**But Views May Differ**

Perhaps this contestant's viewpoint is not entirely correct. If there is an internal inflation of prices, there is no guarantee that external value of the Canadian dollar and the Canadian price of gold will remain fixed. In fact, the chance of further external depreciation of the dollar would be greater with any larger degree of internal inflation. Base metal mines can increase prices but only by the extent their costs increase under their United Kingdom contracts.

Then too, after the war industry might swing immediately into a reconstruction boom. The weight of the excess profits tax might be lifted to encourage industrial expansion.

More than one contestant thought there is now really no good hedge against inflation. This is how one entry expressed it:

"Gold stocks are not by any means a hedge against inflation for it is only in periods of deflation that there is a disposition to raise the price of gold. Against uncontrolled inflation, which is unlikely, there is no sure hedge, but such base metal equities may afford a partial protection against a moderate increase in commodity prices. However, their effectiveness has been minimized by the excess profits tax and the control exercised in setting prices for war metals."

**Views on Gold**

Discussions on inflation naturally merged into discussion of the role that gold will play during and after the war. Two viewpoints on this were particularly interesting. Here is the first:

"The agreement most frequently advanced against investment in gold shares is, that the United States, which now own some 80% of the world's monetary gold, will own vastly more after the war, and that other nations will then abandon gold as a medium of exchange. Such a situation would, of course be serious, but a way can be found to redistribute a large part of this hoard through foreign loans and capital investments in English speaking countries, South America and the east. Of one thing we may be sure; the United States will not lower the value of gold, and the other nations of the world will not have it in their power to force a devaluation."

And the second:

"In a post-war world, when broad international channels of trade are reopened, the depreciated currency levels of European countries will permit such a lowered cost of production there, as to rule out of practical consideration a lowering of the U. S. value of gold. Furthermore, the colossal depressing effect of such an action in American domestic economy—an effect which cannot be overemphasized—would place such a move outside the possibilities of practical politics. So, in the writer's opinion, there can be no doubt of the $35 U. S. price as a minimum for gold."

**Advises Caution**

A somewhat more cautious viewpoint was expressed as follows:

"Although the entire price history of gold has been one of consistent increases in its value, nevertheless a mental reservation must be made because of the extent of the dependence of its present value on the purchasing policy of the United States. The possibility is remote that this policy will be changed but it is a risk that, over the long term, cannot be summarily dismissed with such huge supplies accumulated there."

**Views Differ on Amortization**

How should a mining investment be amortized? This was a question on which views differed greatly. Some said that as it was impossible to predict the life of a mining investment, no satisfactory basis could be worked out for amortization. Others suggested that the 20% rate of depletion allowed by the Dominion Government on mining dividends was perhaps as satisfactory as any method. This method of allowing depletion, however, had the drawback of allowing depletion at the same rate whether a mine possessed one or 30 years' ore reserves.

A number of investors suggested that all dividend income over a certain per cent on capital be treated as return of capital. A typical suggestion of this type is as follows:

"In buying stocks it must be recognized that one is acquiring equities in assets which over a period of years can be expected to gradually disappear. The rate of dividends takes care of this feature, and we recommend our investor to amortize, or transfer from his revenue to his capital account, annually all return in excess of, say 6%. The exact percentage cannot be determined accurately but must be set at an arbitrary figure based on experience."

**Timing Aids Money Making**

Timing can be made an important tool in successful mining investment, contestants considered. Many entries preferred to await until the international situation developed in the summer before making any large commitments. Any loss of profits in the meantime was viewed as good "insurance."

One contestant gave this advice on handling market transactions:

"It is good policy to keep in touch with the market and be prepared to sell any securities which may have for any reason lost their speculative value. It is quite often possible to get out from under speculative issues and save a part of the investment when the property fails to prove up."

**Advice on Keeping Profits**

While "cutting losses" is important, keeping profits is just as important another contestant thought:

"In addition to keeping an eye on the condition of the ore reserves of the mines in which he has invested, our investor should not lose 'paper profits' and allow them to turn into losses. A well-known investment counsel recommends that should profits materialize, the investor should make use of 'stop-loss' orders, never permitting a 15% profit to become a loss and to stop-loss one half of all profits in excess of 20%. Such a policy is by no means infallible but it substantiates the old adage that 'a man never gets poor taking a profit.' Consultation with a reliable and well-informed broker or investment dealer is recommended in connection with this policy."

Practically every contestant advised caution. Security should be sought first, capital appreciation second, it was advised. Past record of a mine as well as its present position was considered important in finding security.

# *Sees No Difficulties in Financing Steep Rock*

"Mining interests other than those directing the affairs of the company" are reported to have been the recent buyers of 100,000 shares at $1 of Steep Rock Iron Mines, The Financial Post is informed in quarters close to the management.

These shares, The Post is told, were sold to ensure adequate finances pending the major financing which the company must undertake to bring it to production.

In regard to the prospect for future finances, the company has announced that $3.5 millions would be required to bring the property into production, in addition to funds required for power and the settlement of any arrangements which they may enter into with the Seine River Development Co. at Steep Rock Lake. This informant gives his opinion that a total of $5 to $6 millions must be provided, including the $3.5 millions mentioned above.

Speaking with regard to the probable dollar value of the ore and the profits that should be derived from it, he understands the price delivered to lower lake ports is approximately $5.15 per ton, American funds.

No announcement has as yet been made in regard to freight rates both rail and boat, nor to operating costs, although the management believes the latter will be low in comparison with mining costs at United States mines, and states that the cost of mining, freight, transshipment to boats and lake freight will not exceed $2.75, and that substantial tonnage will be contracted for.

This informant said plans for future financing are being developed and that "the matter of financing will present no difficulties, when negotiations in regard to power and water diversion have been completed."

Drilling carried out this winter as recommended by the company's American consultant has been most satisfactory, he added.

# Cash Kept High By Ventures

### Capital Expenditures of Not Over $100,000 Expected This Year

Taking its own direct holdings together with those of subsidiary companies, Ventures Ltd. had a liquid position of $5.5 millions, mostly cash, at Mar. 31, 1941, President Thayer Lindsley informed shareholders at the company's annual meeting last week. Ventures proportion of earnings from subsidiary companies would amount to $700,000 for the first quarter before taxes. After allowance for write-offs, earnings amounted to $470,000.

New commitments have been kept at a very low rate in 1941. Expenditures for the balance of the year on capital account are not expected to be over $100,000 chiefly for completion of the new mill of Thompson-Lundmark Gold Mines in the Yellowknife area, scheduled to turn over this August.

**Interest in Kerr, Steep Rock**

Through its holding in Proprietary Mines, Ventures has an indirect interest in 125,000 shares of Kerr-Addison Gold Mines. A direct and indirect interest in 175,000 shares of Steep Rock Iron Mines is also held. Ventures has taken a 40% interest in the newly-organized war minerals exploration company, Frobisher Exploration Co.

At Falconbridge Nickel, a new deposit has been located on the Levack property with a length of 500 ft. averaging 2½% nickel over a 40-ft. thickness. This grade is better than the Falconbridge average and further work is being carried out. The ore lies at an inclination of 35 degrees.

**Depth Ore at Coniaurum Mines**

Drilling from the 5,000-ft. level of Coniaurum Mines has indicated continuation of values to 5,200 ft. An intersection has been made of 13 ft. running $10.50 a ton followed by 7 ft. of $13 grade and 12 inches running 4½ oz. gold per ton.

Operating profits at La Luz Mines after taxes before write-offs were $460,000 for the first quarter. A 75% interest will be held in this mine when all options are exercised. The mine is believed to be the largest gold mine in Latin America. What is believed to be the southern extension of the deposit has been found beyond a faulted zone.

Good response has been met with from the Dominion Government in the matter of taxation for Matachewan Consolidated. The company is being encouraged to spend considerable money in extracting large tonnages of marginal grade ore.

At the Eureka property in Nevada, diamond drilling has penetrated a fault which cut off the main ore source. Two holes have been completed with the second hole returning 23 ft. of ore running $11.40 in gold, and silver, 8% lead and 12% zinc followed by 13 ft. averaging $8.40 a ton in gold and silver, 4% in lead and 5% zinc. Further exploration of the property is being left in abeyance due to war.

At Metal Hydrides and Fahralloy Canada Ltd., interesting possibilities are being developed in research but operations are still in the experimental stage. Production of titanium, zirconium, thorium, beryllium and their hydrides is going ahead and testing of the alloy possibilities of these hydrides with a number of commercial metals, chiefly copper, has yielded encouraging results, it is stated.

# Zincton Mines Now Producing

### Contract For Concentrates Signed With Anaconda Copper Co.

From Our Own Correspondent

VANCOUVER. — President Rolf Bruhn of Sheep Creek Gold Mines announces that his company's wholly-owned subsidiary, Zincton Mines, is now in full production of zinc concentrates and that a profitable contract has been signed with the Anaconda Copper Co., of Butte, Mont., calling for shipment of a minimum of 1,000 tons of dry concentrates monthly.

Zincton Mines, formerly the Lucky Jim Lead & Zinc Mines, is equipped with a flotation mill of 200 tons rated capacity, and the past few months have been devoted to conditioning the plant for resumption of production.

**Doelle In Charge**

H. E. Doelle, managing director of Sheep Creek Gold Mines, will be in complete charge.

Lucky Jim is one of the best known of the smallest base metal properties in British Columbia.

# Coal, Coke Production Gained in March

From Our Own Correspondent

MONTREAL.—Production of coal in Canada during March amounted to 1.5 million tons as compared with 1.3 million tons in March the previous year. A five-year average for this month was 1.2 million tons. Approximately one half of the March total was produced in Nova Scotia, followed by Alberta with 486,758 tons. Imports of coal into Canada in March were 63% above March, 1940.

Production of coke, exclusive of that produced from petroleum, in Canada amounted to 266,430 tons in March, an average of 8,595 tons a day. This daily output compares with 8,557 tons in February and 7,719 tons in March, 1940.

# Mining Concentrates

**Barber Larder Gold Mines** had current assets of $17,016 and current liabilities of $75 at Dec. 31, 1940. Investments include 4,000 shares of Broulan Porcupine and $4,847 of Ontario Hydro bonds.

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**Bulolo Gold Dredging** operating profit totalled $265,580 for March, taking gold at $35 an ounce. This compared with $231,805 for February on the same basis. Gold production showed an increase from 10,859 to 11,610 ounces.

• • •

**Duquesne Mining Co.** is now engaged in shaft sinking with the shaft down 40 ft. on May 1. Objective is 500 ft. Sufficient funds are stated to have been earmarked in the treasury to complete the shaft to 500 ft. Additional funds are to be provided for the opening of three levels, it is stated.

• • •

**Gold Frontier Mines** is now preparing ore bodies for milling. A raise carried up from the first level to surface a slope distance of 173 ft. was in ore all the way. The raise carried 6 ft. square was in ore averaging $17 per ton across an average width of 6 ft., it is stated. This raise was in the east ore body which showed a length of 50 ft. on the first level averaging $38.50 a ton across an average width of 12 ft. The original surface exposure showed a length of 120 ft. running $16.19 a ton across an average width of 4.2 ft. Development is steadily adding ore drifting west at the first level and east at the second level.

• • •

**Howe Sound Co.** earned 63 cents a share before Federal income tax in the first quarter of 1941 against $1.17 a share in the corresponding period of 1940. While gross earnings dropped only from $3,069,635 to $2,909,302, net profits declined from $508,279 to $300,481.

• • •

**Monarch Mines** will ask shareholders to approve liquidation of and distribution of assets at annual meeting of shareholders on May 19. Balance sheet April 21, 1941, shows $4,251 cash, 60,000 shares of Chesterville Larder Lake, 20,800 shares of Bonetal, 50 shares of Eureka Corporation, 29,000 pooled shares of Gun-Flint Iron Mines, 500 shares of Island Lake Mines and 3,008 pooled shares of Terrace Oil. Shares of the latter four concerns have no established market value and bids are invited from shareholders.

• • •

**McLellan Gold Mines** is now carrying on continuous shaft sinking operations at its property in the Little Long Lac area adjoining Little Long Lac Gold Mines and Magnet Consolidated Mines. Finances are in the treasury to allow exploration underground of two ore zones outlined by surface diamond drilling.

• • •

**McWatters Gold Mines** had an operating profit of $23,898 the first quarter of 1941 before taxes, depreciation and deferred development, compared with $36,542 the same quarter of 1940. A total of 11,632 tons of ore were milled with production of $98,750 in the March quarter of this year against 8,944 tons and recovery of $105,671 the same quarter last year.

• • •

**Nipissing Mines** shareholders were informed at their annual meeting they might reasonably expect a dividend next December. Company's position is practically unchanged since the year end, Hugh Park, manager, reported. Mortgage on the Picacho property in California is being foreclosed and a decision can be made soon whether to put on a mill or dispose of the property. A 50% interest is held in a New York State iron property and there is some hope of getting it in operation.

• • •

**Ontario Nickel Corporation** may resume operations at its Temagami property shortly with a financing deal stated to be completed with Toronto, Montreal and United States interests for this purpose.

• • •

**Sachigo River Exploration Co.** expects to wind up with a liquidating value of approximately $4 per share instead of $3 a share as previously announced, it was stated at the annual meeting. Production has been greater than anticipated causing the greater liquidation value. Milling of remaining ore is expected to be completed by September or October. Next winter, plant and equipment will be freighted out to railroad for disposal and anything received will be in addition to the liquidating value of $4 a share, payment of which is non-taxable, although anything over that amount is subject to tax.

• • •

**Shenango Mining Co.** has been incorporated to succeed Shenango Gold Mines. Plans call for a new programme of surface exploration. Deep trenching is planned along the south zone where values were said encountered previously. Enlargement of the surface plant is planned to allow sinking to 375 ft. for the opening up of further levels at 250 and 375 ft. depth. Financing for the proposed programme has already been arranged, it is stated.

• • •

**Stewart-Abate Gold Mines** has started drifting on a showing in its shaft at the 60-ft. horizon. Initial work is stated to have shown free gold.

• • •

**Sherritt Gordon Mines** has declared a dividend of 5 cents a share payable June 25 to shareholders of record May 22. Ex-dividend date is May 22.

• • •

**Upper Seine Gold Mines** is stated to have operations back to normal after being handicapped by lack of fuel. Machinery and equipment have been overhauled and readjusted with an increase in recovery of $3 a ton expected.

• • •

**Ventures Ltd.** has declared a dividend of 10 cents a share payable June 25 to shareholders of record June 10.

• • •

**Wright-Hargreaves Mines** has declared its regular quarterly dividend of 10 cents a share plus an extra of 5 cents a share, payable in Canadian funds on July 2, 1941, to shareholders of record May 21.

# National Malartic In New Financing

With a special meeting of shareholders to be called shortly to pass on the deal, National Malartic Gold Mines has completed new financing arrangements with Noranda Mines, Hollinger Consolidated Gold Mines, Quebec Gold Mining Corp., and E. H. Pooler.

Under the revised plan, Noranda and Hollinger will participate equally in purchase of 425,000 shares at 35 cents a share.

**Gives Funds for Development**

With issue of the block of 35-cent stock, 3,330,000 of the company's authorized capital will be issued. Together with approximately $80,000 now in the treasury, the new funds will permit continuation of present development. A decision regarding formation of a new company will be made by the time this development programme is finished.

If formation of the new company is decided on, authorized capital will be 3 million shares instead of 3.5 million shares as previously proposed. Shareholders would receive one new share for two old and the financing group of Noranda, Hollinger and E. H. Pooler, would option 1,335,000 shares at 70 cents a share to yield $934,500 if all taken up. Allotment of the option would be as follows: Noranda, 564,050 shares; Hollinger, 523,750 shares; Quebec Gold, 137,200 shares; and E. H. Pooler, 110,000 shares.

**Noranda and Hollinger Control**

Noranda and Hollinger have the right to appoint two members to the board of directors of the present company and would control its directorate. Their technical staffs are to have charge of operations.

Shaft sinking is under way between the north and south ore zones. Present objective is 725 ft. with levels to be established at 325, 525 and 725 ft. Only two levels at 325 and 525 ft. are to be run from the shaft, both to the undeveloped north zone, the 725-ft. level on the south zone to be opened from the Sladen property.

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"Sustaining" Advertising

*A New Term in Advertising Language*

Many firms are today finding it difficult to meet all consumer demands.

Some have loyally turned almost their whole production over to the war purposes; others find it impossible to obtain sufficient raw materials; still others are faced with distressing import restrictions.

• • •

A number of these firms have caught a new vision. With complete confidence that this war will be won, they have the foresight to consider the problems of the peace to come.

These firms are using the new type of advertising, the type that sustains public confidence rather than makes immediate sales, the type that builds for the future and plans for better days.

• • •

We used to call this type of advertising "institutional" but that hardly covers the full vision behind its use today.

Rather, let us think of it as "sustaining" advertising. The dictionary says "sustain" means "cause to continue in existence," and that's exactly what the new advertising is designed to do.

During the last war there were instances of firms who failed to pay the price of sustenance, who concentrated only on the immediate and allowed the public to forget. Many of these long established firms lost their position of leadership to newcomers and never regained it.

For such sustaining advertising campaigns, Maclean's Magazine is chosen as a medium because of its large circulation among thoughtful Canadians, and its demonstrated suitability for educational "sustaining" copy.

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CANADA'S NATIONAL MAGAZINE

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Branches at Montreal, London (Eng.), New York, Chicago.

# The Gilbert Jackson Wheat Plan

## Opinion Varied on Offering Free Food With Peace

Widespread interest has been evoked by the address of Gilbert Jackson, Canadian economist before the Canadian Club, Montreal, reprinted in part in The Financial Post May 3. There he proposed bombarding Germany and Italy and those parts of Europe which have been enslaved with the promise that the instant war is terminated vast supplies of foodstuffs will be at once made available to them free. This, he suggests, would speed conclusion of the war and be a tremendous impetus in re-opening international trade on sound and traditional lines.

The Post herewith publishes comment on the Jackson proposal from well known Canadians vitally interested in such problems. In a few cases, anonymity has been requested

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**H. G. L. Strange, director research, Searle Grain Co. Ltd.:**

I agree wholeheartedly with Professor Jackson's analysis of the causes which have brought about the present sad state of affairs in the world. Most economists for years past have been warning the world of what the results of these evil policies would be. Prof. Jackson himself for years past has been untiring in his efforts in recommending saner policies. The Searle Research Department, too, for years past, has been trying to do its part in pointing out the harm that was resulting from the system of high tariffs and of other ingenious restrictions to international trade, of "Nationalism," "Self-sufficiency" or "Economic Autarchy," and that if continued these delusions would inevitably lead to war.

The trouble is, and ever has been for over two thousand years, that the economists, the historians and the philosophers, whose business it is to study economics and social cause and effect, have never failed to issue warnings, but sadly, too, not the slightest attention ever has been paid to these warnings either by the people or by their Governments.

The Versailles Treaty contained within itself the cure for most of our present troubles in point No. 3 of the famous Wilson Fourteen Points: "The removal, so far as possible, of all economic barriers, and the establishment of an equality of trade conditions among all nations consenting to the peace and associating themselves for its maintenance."

The sadness is, however, that this point was never implemented by the victors. Indeed much worse occurred for instead of economic barriers being removed, they were greatly increased.

Contrary to general supposition I find that the European countries, which are usually blamed for starting the delusion of "self-sufficiency" or "economic autarchy," only followed suit after the countries which held surpluses of foodstuffs and raw materials, i.e., the U. S., Canada and others had first raised their own tariffs.

The suggestion of Professor Jackson that the people of Europe should be assured of ample foodstuffs as soon as the peace comes is, of course, a most excellent idea both from an economic and a humanitarian point of view, but this assurance I think has already been given by the Rt. Hon. Winston Churchill, who, in the House of Commons on Tuesday, Aug. 20, addressed a special message to the European people. He said: "We shall do our best to encourage the building up of reserves of food all over the world so that there will always be held before the eyes of the people of Europe including—I say it deliberately—the German and Austrian peoples the certainty that the shattering of Nazi power will bring to them all immediate food, freedom and peace."

Certainly, however, it would do nothing but good to follow Professor Jackson's advice and to have Mr. Churchill's assurance reiterated constantly over the radios to the European people.

Altogether then I am wholeheartedly in agreement with Professor Jackson's recommendations. I have a book being published May 6 by Macmillan's of Toronto entitled "Never a Dull Moment." The last chapter of this book recommends much the same policies that Prof. Jackson sets forth.

• • •

**P. C. Armstrong, Canadian Pacific Railway Co.:**

As far as I can judge, Professor Gilbert Jackson's suggestion that the allied democracies should state that their military victory would be followed by an immediate transfer of surplus raw materials to Europe is not only economically sound, but is a recognition of a condition which necessarily exists.

It may be taken for granted that the first act of the **Herrenvolk** after complete victory would be to seize the surplus raw materials of the world, and to force the other peoples of the world to accept, in exchange for continued production of surplus raw materials, the goods and services of the **Herrenvolk** in such quantities and of such kinds as these lords of the earth might decide to be desirable.

Against this concept of an international economic system, the democracies — usually by implication rather than by statement, set up the ideal of a world in which there will be as much economic liberty and equality as it is possible to arrange, and that assumes that we must return to the system of international exchange of goods and services which, as Professor Jackson points out, existed prior to the outbreak of the present Great War in 1914.

Professor Jackson's vital contribution is to point out that, since the potential customers of the nations producing a surplus of raw materials will not be in a position to pay us anything immediately after the end of hostilities, we can speed up the restoration of international society by realistically offering to turn over existing surpluses of raw materials, without price, at that time.

I should like to venture, with due deference, to disagree with one part of Professor Jackson's remarks. He speaks of the programme as being a "costly one." I feel that this description is perhaps incorrect. The surplus of raw materials available for export in the democratic countries is, in general, already in the hands of the governments of these countries. Where this is not yet a completed process it is either under way, or else inevitably in sight. That is, at the close of hostilities the surplus raw materials of the world will no longer be in the hands of individuals, but in the hands of national governments, and the money required to pay for them will already be distributed to the producers. No unfavorable effect on the interests of the surplus producing nations, nor of their individual nationals could therefore result from the adoption of Professor Jackson's plan. The "cost," in any real sense, will already have been met—as part of the war costs. The clearing out of the accumulated surpluses will exercise a powerful stimulating effect on the economy of the nations which give the goods.

In general, I believe that Professor Jackson has crystallized in the form of a suggestion certain inevitable prerequisites to the restoration of that international commerce without which we can scarcely expect to have international peace.

• • •

**E. C. Hope, Professor of Farm Management, University of Saskatchewan**

Western Canadians would probably agree that if very large stocks of raw materials (wheat for example), were on hand in the countries of the new world, when the war is over, it would be a sound policy for these countries to make a gift of these surpluses to the impoverished peoples of Europe who are now unwillingly under the Nazi heel.

But this would have to be a responsibility of the countries concerned. In other words, I can hardly imagine the British Government buying either Brazilian coffee or Argentine corn and handing it over as a free gift to Europe. If it is going to be a good business to reduce the coffee and corn surplus, then the countries which are going to benefit by the disposal of the surplus should be the willing givers.

Moreover it seems to me the promising of free food and other raw materials to Germany after the war is going a bit too far. Why should we be so benevolent to a nation which has deliberately plunged the world into two world wars in 25 years? Will any of us forget how the Nazi hordes swept over Belgium last year and machine-gunned to death thousands of helpless little children, mothers and old men? Will any of us forget the agony of Poland? Germans must be made to realize that they are not a super-race. Among other things a little post-war hunger will do no harm in helping to drive the lesson home.

Of course, I would agree that if it would help to shorten the war, then we should make arrangements to send, gratis, large quantities of raw materials to the occupied countries of Europe after the war. But I do not think the announcement of such a policy would have any effect on the duration of the war. In the first place German propaganda would tell the people that it was just a lying British scheme, and as a matter of fact it would be difficult to prove to the distressed people that such a policy would be carried out, since it is all in the realm of promise.

But the test of the whole proposal is, would it hasten revolt in the occupied countries? I do not think there is any possibility that it would. The people of the occupied countries will gradually be depleted of food, and other raw materials which will find their way into Germany. The Nazis will be the last ones to feel the pinch. Many millions will probably die before Germany begins to suffer. The gradually weakening, sick and listless people under the Nazi heel will never have either the strength or will power to revolt until Germany itself is beginning to crumble through military defeats.

• • •

**Anonymous, Montreal:**

It might very well prove to be good business, when the time comes, for Canada to offer gifts of wheat or flour to enable starving populations to live, but conditionally upon the countries receiving such gifts agreeing not to impose embargoes or prohibitive tariffs against the import of similar Canadian foodstuffs for a period of years.

• • •

**Anonymous, Toronto:**

There might be a great deal of merit in the proposal made by Professor Jackson to give away our surplus wheat to the different European countries now engaged in war or overrun by the Axis armies. Would it not be a good plan to ask the nationals of these European countries now living in Canada how their relatives at home would react to such a generous gesture?

I do not feel competent to give an opinion as to whether this scheme is practical, wise, or likely to produce the results Professor Jackson foresees.

To me one of our greatest problems, if not the greatest, is to create jobs for our men who are now serving in the army when they are demobilized. Is there any relation between giving away our surplus wheat and providing jobs for returned soldiers?

If wheat is to be given away I would suggest that a certain percentage of this wheat should be given as flour. The Canadian mills, I am sure, would be willing to grind this wheat into flour at cost. This would provide employment for many men and at the same time make large quantities of feed available to farmers for the feeding of livestock.

This looks like a fight to a finish and, in my opinion, any such gesture at this time to the people of Europe would not receive much consideration. Later on, however, it might prove a big factor in shortening the war.

• • •

**M. Champlin, Senior Professor of Field Husbandry, University of Saskatchewan**

It seems to me that his idea is a good one and based on sound reasoning. It is very probable that the governments of the various surplus producing countries will have large stocks of the main commodities of their respective countries in storage when the war closes and as Professor Jackson states, the countries of Europe which have been over-run by the Germans will probably be unable to buy and pay for the food and other raw materials which they will sorely need.

Since it is almost certain to be necessary to dispose of the surplus in the way Professor Jackson suggests, it seems to me that it might be a good policy to announce in advance. From some of the things which Prime Minister Churchill has said in his radio addresses, I rather think that he has some such idea in mind.

• • •

**R. M. Haultain, Montreal**

I believe the main idea in Gilbert Jackson's article has real possibilities as a war-winning and war-shortening factor, **if vigorously sold.**

The continuous radio and leaflet appeal to Europe's hungry would make Nazi promises appear empty by comparison. The grapevine would surely work in Europe when the belly is empty.

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# *Housing Act Loans Ease Shortages in War Areas*

Shortage of housing where wartime activity has sharply increased the need for accommodation has been abated by construction under the National Housing Act, it is indicated by a bulletin from the Department of Finance.

Especially acute shortages in districts where war factories or defense operations are concentrated is now being met by large scale projects of Wartime Housing Ltd., newly formed Government company. In the past year, however, when Wartime Housing was not in existence, the need was met in many districts by N. H. A.-financed dwellings.

### $16 Millions in Year

Of the 5,427 housing units financed under the Act during the past fiscal year, 80% were erected with loans of $3,500 or less, virtually all of which were in areas of accelerated wartime activity. During the year total loans amounted to $16,066,642, bringing to $68,619,945 the total of loans since inception of the Act in 1935. Since then, construction of 20,481 housing units has been financed.

Operations of the Act have been restricted since the end of 1939, loans now being limited to a maximum of $4,000 and only for single family dwellings. However, in the past year loans were made in 46 new communities, increasing to 446 the number of centres served by the Act.

Totals of loans to date in the various provinces are:

N.H.A. Loans
(To March 31, 1941)

| | Amount $ | No. units financed |
|---|---|---|
| Ontario | 35,625,910 | 11,002 |
| Quebec | 14,423,833 | 3,865 |
| British Columbia | 10,332,529 | 3,393 |
| Manitoba | 4,192,145 | 1,174 |
| Nova Scotia | 2,765,100 | 679 |
| New Brunswick | 844,897 | 215 |
| Saskatchewan | 337,697 | 133 |
| Prince Edward Island | 97,834 | 18 |
| Alberta | ...... | ...... |
| Total | 68,619,945 | 20,481 |

# New Books • • •

### Britain in Wartime

ENGLAND'S HOUR. By Vera Brittain. Published by the Macmillan Co. of Canada, Toronto. Price $2.75.

Vera Brittain's story of England's first year and a half of war is a story of how ordinary folk act under fire. Most of her 300 pages are records of individual incidents and conversation; little gems which she has assembled into an impressive mosaic. It is essentially a personal narrative. Miss Brittain tells what she saw, what people told her and what she absorbed from the people around her.

"England's Hour" is a testament of courage. Some day when the war is over Miss Brittain's contemporary picture—a diary with vivid vignettes written while the impressions were still bright in her mind—will be a record to reread with pride in, and admiration for, the common people who are its heroes and heroines.

### Focal Point of History

TURKEY. By Emil Lengyel. Published by the Macmillan Co. of Canada, Toronto. Price $4.50.

Once the most warlike nation in the world, Turkey then held sway over all these Balkan lands. Now Turkey owns only enough of Europe to enable it to straddle the Straits that link the Mediterranean with the Black Sea, that give protection to Russia, and separate Hitler from the oil of Mosul and the rich booty of Persia, Afghanistan and India. The sword that hangs over Turkey is not the crescent cutlass but the bloodstained dagger of a triumphant Hitler. Turkey is at the moment perhaps the most interesting country in the world because upon its wisdom and its courage may depend the early fate of the Near East and the length of the war.

No book could have come out at a more opportune moment than this guide to Turkey past and present by the man who anticipated recent Balkan history in his study of "The Danube."

Asia Minor has been for six thousand years inflammable soil. It is incredible that in this small area there should have been written the troubled history of so many of the great names of history: Alexander The Great, Mohammed, Genghis Khan, Barbarossa, the Crusaders, the Janissaries, the Amazons, Abdul the Damned, Allenby, Lawrence of Arabia and that most significant of all post-war figures, Ataturk. Lengyel embroiders his tapestry with tales of all of them. He makes it clear that it was not mere coincidence that focused their lives, their triumphs and their defeats in one small land poor in resources but so located that it has always been the converging point of history.

The Turks have always been a warlike people, cruel, hardy and passionate in their devotion to an idea whether a good one or a bad one. When Ataturk, with a speed and ruthlessness unsurpassed in all history, changed the way of life of the Turks, he turned a warrior nation into a line of people loving peace but willing to fight to preserve that peace. Lengyel expresses the view that the Turks will fight for their country. He rates their officers and soldiers as good, but despite the millions of British wealth poured into the country in recent years he gives no high mark to their equipment. Nature is on the side of the defense in Turkey. The people have a passionate hate for both the Germans and the Italians, but Lengyel offers little reason to believe that they could resist a formidable assault from across the Straits.

He makes it clear that it is vital to the security of Russia that Turkey should remain in control of the Straits. With the Straits goes control of the Ukraine. Russia cannot permit a German occupation of the Bosphorus and the Dardanelles. But Russia is weak and Stalin is weaker. That weakness may be fatal to Turkey in the nearby days.

Over Turkey broods the ghosts of many would-be conquerors who there found the grave of their hopes and ambitions. Whether another grave yawns there for Nazi dreams of Near East conquest is a question not yet answered. Sixty centuries of conquest and corruption, beauty and barbarity, despotism and democracy have again reached a climactic point. Nothing could be more useful in giving perspective on the news in the next few months than a reading of this absorbing book, saturated with history that seems as topical as today's newspaper headlines.

### Industrial Directory

CANADIAN TRADE INDEX. 1941 edition, published by The Canadian Manufacturers Association, Toronto, price $6.

The 1941 edition of this well-known directory of Canadian industry gives a wealth of data essential to all interested in selling or buying goods.

It gives the names and addresses of 8,000 Canadian manufacturers with branches, export representation, trademarks and brands. Manufacturers are also classified according to products and those interested in the export trade are indicated. Names of 700 firms have been added since last year and information published in previous editions has been revised and brought up to date. A special export section gives details of government services, export procedure, financing of exports and foreign exchange control regulations.

An agricultural produce section and a French-English vocabulary of products are other valuable features of the book.

### U. S.-Canada Economy

OGDENSBURG, HYDE PARK — AND AFTER. Edited by J. S. B. Pemberton. Published by Canadian Institute of International Affairs. Price 10 cents.

This is the seventh of a series of "Behind the Headlines" pamphlets. It is an excellent up-to-the-minute summary of recent financial problems in U. S.-Canada relationship. The suggestion is made that a joint board on economic co-operation for defense should be created, composed of persons experienced in industry, finance and economics to deal with the natural problems arising in the defense relationships of the two countries.

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## Credit Foncier Elects New Board Member

From Our Own Correspondent

MONTREAL.—J. Theo. Leclerc, vice-president of Administration and Trust Co. has been elected director of Credit Foncier Franco-Canadien, to fill a vacancy created by the death of Martial Chevalier.

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...an executive's ideal of economy and efficiency
...a secretary's dream come true!

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THE PRIME MINISTER OF CANADA.

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Mary is the "voice with a smile". Mary is the efficient person generally known as a *telephone operator*. As an operator she knows much about telephone equipment — how it should be used and handled.

But Mary is best known for her personality — for her coolness in emergencies — for the grand things she has done time and again, ignoring her own danger, intent on one thing only — to keep the standard of telephone service high.

We pay respectful tribute to Mary and all the girls who work with her. Her devotion to her job sets a standard of public service. Tactful, patient and courteous, Mary is the medium through which this Company and its public are always in touch. She plays a vital part in Canada's war effort.